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SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner
Ann Lazarus, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

AGENDA

REGULAR MEETING

3:00 P.M., TUESDAY, SEPTEMBER 14, 2004

PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

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1. **CALL TO ORDER / ROLL CALL**

2. **APPROVAL OF MINUTES** - August 31, 2004 Special Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
   - T-Mobile International Bicycle Race – September 12, 2004
   - South Beach Block Party – September 12, 2004
   - Sapphire Princess Cruise Call – September 22, 2004

4. **ENGINEERING & MAINTENANCE**

   A. Request authorization to advertise for competitive bids for Pier 35 Security Enhancements, Contract No. 2692. (Resolution No. 04-77)

   B. Request authorization to award Construction Contract No. 2693, "Amador Street Improvements" to Gordon N. Ball, Inc. (Resolution No. 04-78)

   C. Request authorization to award contract for Education and Public Participation Programs at Heron's Head Park. (Resolution No. 04-79)

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5. PLANNING & DEVELOPMENT

A. Presentation and Public Hearing on the proposed Port of San Francisco Embarcadero National Register Historic District, consisting of an approximately three-mile area of the waterfront along the Embarcadero, between Pier 45 in Fisherman's Wharf and Pier 48 at China Basin, including the seawall, historic piers, wharves and structures located on the wharves. On September 28, 2004, the Port Commission will consider action to approve the proposed Historic District, and authorize staff to submit the Historic District nomination report to the State Office of Historic Preservation and National Park Service for listing on the National Register of Historic Places.

6. NEW BUSINESS / AGENDA SETTING

- New Business

- Agenda Setting (Targeted Commission meeting, subject to change)
  - Request approval of lease amendment with Pacific Marine Dining Yachts located at Pier 9. (September 28, 2004)
  - Adoption of Port of San Francisco Embarcadero National Register Historic District (September 28, 2004 Hearing and Commission action)
  - Request authorization to award contract to conduct a feasibility study of Shoreside Power and Alternative Air Emission Technologies for James R. Herman International Cruise Terminal, Piers 30-32 (September 28, 2004)
  - Request to apply for grant funds from the California Cultural and Historical Endowment for Pier 70 and the Brannan Street Wharf. (September 28, 2004)
  - Request authorization to issue a Request for Proposals for Habitat Restoration at Heron's Head Park. (October 12, 2004)
  - Policy for Disposal of Surplus Furniture, Fixtures & Equipment (FFE) (October 12, 2004)
  - Request approval of lease with National Liberty Ship Memorial (Jeremiah O'Brien) at Pier 45, Shed C. (October 12, 2004)
  - Public Hearing on Port Commission's endorsement of the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project (located at Embarcadero between Bay & Battery Streets). (October 12, 2004)

7. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT/DISMISSAL/RESIGNATION – This is specifically authorized under California Government Code Section 54957.

- Consideration and Possible Action on Public Employee's Appointment/ Dismissal/Resignation – Deputy Director of Port.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER (Discussion and/or Action Item)

a. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Defendant)

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 15 and 17 (at Embarcadero)
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Dr. Goéry Delacôte

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 15 and 17 (at Embarcadero).

b. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

10. ADJOURNMENT

SEPTEMBER 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
September 14	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
September 28	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406..

The Brannan Street Wharf Citizens Advisory Committee meets on an as-needed basis to develop a concept plan for this planned open space in the South Beach area. Meetings are held in the Bayside Conference Room at Pier 1. Contact Dan Hodapp @ 274-0625 or dan_hodapp@sfport.com

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets.
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. & Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall, the San Francisco Public Library or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

September 8, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Advertise for Competitive Bids for Pier 35 Security Enhancements, Contract No. 2692

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ADVERTISE FOR COMPETITIVE BIDS FOR CONSTRUCTION OF SECURITY ENHANCEMENTS REQUIRED AT THE PASSENGER SHIP TERMINAL AT PIER 35.

INTRODUCTION

The Port of San Francisco applied for and received a grant from the Transportation Security Administration (TSA) for security improvements at the Pier 35 Cruise Terminal, Pier 80 Cargo Terminal and Ferry Terminal. Commission Resolution No. 03-49 formally accepted the grant, and Board of Supervisors Resolution No. 653-03 authorized the Port to accept and expend the grant funds.

Design work for the security enhancements at Pier 35 have been completed. Port staff requests that the Commission authorize the advertisement for competitive bids from contractors to partially demolish, alter and construct new security enhancements to the interior and exterior of the passenger ship terminal located at Pier 35. The work is permitted under TSA grant DTSA20-03-G-01121 - TSA Port Security - Round 2, Project 219.

BACKGROUND

There are several strategic initiatives pending to improve and maintain the Pier 35 facility as a world class cruise terminal until that time when the new Pier 30/32 terminal is opened for operation. Some of these initiatives are required security enhancements to be funded by the TSA grant. Contract 2692 is but one component of these security enhancements funded by the grant.

The objective of the security enhancements is to prevent access to cruise ships by anyone intent upon gaining control of a vessel. Prevention measures include enhanced separation and

This Print Covers Calendar Item No. **4A**

screening of: 1) passengers and luggage, 2) vendors and vessel stores, and 3) other services and personnel. Staff, through a collaborative effort between Port divisions (Maritime, Engineering and Property Management) and Metropolitan Stevedores (the lessee management agent for the terminal), have attempted to create a design consistent with the longer-term strategic improvements planned at the facility. For example, the design elements include:

- New construction and alterations that maintain the historic integrity and fabric of the pier, yet also allow for future improvements to further enhance the security, function and operations at the facility.
- New security lighting that will also illuminate the beautiful tracery of the shed's high-bay, wood truss construction.
- New barriers between passenger and non-passenger areas that will provide new public views to the bay.
- Enhancements to segregate screened and unscreened passengers and luggage that will result in grand public spaces for future displays of historical Port artifacts and large-scale graphic displays.
- Enhanced area separation that will improve physical organization and facility operations effectiveness.
- Mobile barricades and partitions that allow for flexibility in configuring and reconfiguring passenger, vessel stores and vendor operations.

This collaborative design effort will provide the necessary security enhancements to the pier, yet also result in visual improvements that will welcome passengers to San Francisco.

TSA GRANT FUNDING

The Pier 35 portion of the TSA grant is for $3,150,000. The Port's match to this grant is $350,000, which will be provided by Port staff labor in contribution to the project. The Port currently expects TSA grant funds to be allocated to accomplish the required security enhancements as shown in Table 1 below.

TABLE 1. DISTRIBUTION OF TSA GRANT FUNDS

ESTIMATED COST	DESCRIPTION	STATUS
$ 74,930	Initial Security Scoping Assessment	Completed
$ 225,070	Design and Specifications	Completed
$ 80,000	Hazardous material abatement and demolition	Pending
$ 1,732,700	**Demolition, alteration and construction of new security enhancements**	**Contract 2692**
$ 769,800	**Security system installation (security building, CCTV, card key, monitoring system, alarm, etc.)**	**Contract 2692**
$ 75,000	Movable vehicular barricades and luggage partitions	Pending
$ 185,000	Movable interlocking panel partitions for passenger segregation	Pending
$ 7,500	P39 Nursery Exit – Stainless steel door	Pending
$ 3,150,000	TOTAL	

This staff report only addresses the work to be performed under Contract 2692. The other security enhancements identified in Table 1 will be occurring concurrently, but separately from Contract 2692.

SCOPE OF WORK – CONTRACT NO. 2692

The work under this project consists of the following:

1. Required demolition, cutting and patching to allow for the security enhancements to be constructed/installed.
2. Relocating specific activities and operations within the terminal to accommodate the work.
3. New security fences, gates and exterior storefront windows to separate and secure access between public and non-public spaces.
4. New interior entry doors, walls and glazed storefront to separate passengers (checked-in and/or screened) from the general public and vehicular areas.
5. New, interior centralized security facility and monitoring/control station that overlooks the passenger screening area.
6. New security cameras, door alarms and card-key access, and lighting (interior and exterior).
7. New segregated baggage lay-down and claims rooms.
8. Modifying the fire alarm and sprinkler systems as required.

SCHEDULE

The key drivers to the schedule for this work are the TSA grant expiration date (July 16, 2005) and the cruise ship schedule for 2004 and 2005. To minimize disruptions to the existing terminal operations, the major work will be performed after the last cruise ship berths on November 21, 2004, but will conclude before the start of the 2005 cruise season. In order to accomplish this, the following schedule must be followed:

Advertise:	September 18, 2004
Receive Bids:	October 15, 2004
Commission Award:	October 26, 2004
Notice to Proceed:	November 15, 2004
Start of Construction:	November 22, 2004
Substantial Completion:	March 1, 2005

There is a potential that bids may exceed the available funds given the amount of work that must be accomplished. In anticipation of this probability, the construction contract will be structured to allow items of work to be deducted to match available funds. Structuring the contract in this way will ensure that a maximum number of security enhancements will be constructed without further delay.

CONCLUSION

Port staff seeks authorization from the Commission to advertise for competitive bids for this construction project. The available construction funds for this portion of the work is $2,502,500, including a 10 percent contingency. The project cost will be funded from the TSA grant DTSA20-03-G-01121.

Prepared by: Kathy Nakazawa, Project Manager, for
Ed Byrne, Acting Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-77

WHEREAS, The Transportation Security Administration (TSA) awarded grant DTSA20-03-G-01121 - TSA Port Security - Round 2, Project 219 in the amount of $3,150,000 for security enhancements to the Pier 35 cruise terminal; and

WHEREAS, The Port Commission, through Resolution No. 03-49, formally accepted the grant funds; and

WHEREAS, The Board of Supervisors, through Resolution No. 653-03, authorized the Port to accept and expend the grant funds; and

WHEREAS, There are several strategic initiatives pending to improve and maintain the Pier 35 facility as a world class cruise terminal until that time when the new Pier 30/32 terminal is opened for operation; and

WHEREAS, Some of these initiatives are required security enhancements to be funded by the TSA grant, and Contract 2692 is but one component of these security enhancements funded by the grant; and

WHEREAS, the objective of the security enhancements is to prevent access to cruise ships by anyone intent upon gaining control of a vessel, and include enhanced separation and screening of passengers and luggage, vendors and vessel stores, and other services and personnel; and

WHEREAS, Port staff has completed the design drawings and specifications for construction of security improvements; and

WHEREAS, The available construction funds for the work under this project is $2,502,500, including a 10 percent contingency; now therefore be it

RESOLVED, That the San Francisco Port Commission hereby authorizes Port staff to advertise for competitive bids for construction of security enhancements at the passenger cruise ship terminal at Pier 35, Contract No. 2692.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 14, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

September 9, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Award Construction Contract No. 2693 "Amador Street Improvements" to Gordon N. Ball, Inc.

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO AWARD CONTRACT NO. 2693, "AMADOR STREET IMPROVEMENTS," TO GORDON N. BALL, INC.

INTRODUCTION

Through Commission Resolution No. 04-34, the Port Commission authorized Port staff to solicit competitive bids from contractors to construct a paved, temporary access road to connect Amador Street on Piers 90-92 with Piers 94-96. On August 20, 2004, staff received and reviewed bids, and determined the lowest responsive and responsible bidder to be Gordon N. Ball, Inc.

BACKGROUND

The Port's industrial tenants primarily use Amador Street to access Cargo Way and Third Street. The Port's industrial tenants' operations mostly consist of handling or processing construction-related industrial materials (e.g., concrete, concrete reclamation, aggregate, sand, etc.) that require operation of equipment and trucks on unpaved roadways between and through the current Amador Street terminus and Piers 94-96 and the Pier 90–94 Backlands area (Backlands).

Although intended to be interim in nature, the access road has been designed to be consistent with current and near-term Port planning and leasing efforts, as well as conceptual long-term development plans for the Backlands area. Construction of the access road will not represent a complete and permanent roadway due to the significant financial cost associated with a permanent roadway. Construction of the temporary access road, however, will provide the following benefits:

- Reduce dust and vehicle emissions and traffic congestion;
- Provide a direct connection between the Port's Pier 90 –92 and the Piers 94 –96 areas;

This Print Covers Calendar Item No. **4B**

- Reduce industrial traffic from Cargo Way; and
- Provide a near-term solution that can be implemented now without affecting further planning of the Backlands area.

SCOPE OF WORK

The work entails clearing and grubbing the area, and laying an aggregate base and an asphalt concrete wearing surface. The length of the connecting access road will be approximately 1,900 feet long by 40 feet wide. The project also includes building a side access road of approximately 480 feet in length, off of the main connecting access road.

SUMMARY OF BIDS

The Engineer's construction estimate for this project is $410,000. The Human Rights Commission staff set subcontracting goals of 10% MBE and 3% WBE under the City's MBE/WBE/LBE ordinance (San Francisco Administrative Code Chapter 12.D.A.) which remains in effect for contracts solicited or advertised prior to July 26, 2004, as in this instance.

Port staff published the invitation for bids on July 10, 2004, and held a pre-bid conference on July 28, 2004 at the Bayview Police Station Community Room in an effort to solicit bids from local businesses in the area. Port staff received three (3) bids on August 20, 2004. The Port Engineering and Human Rights Commission staff reviewed the bids and have determined that Gordon N. Ball, Inc. is the lowest responsive, responsible bidder with a Total Bid Price of $399,150, and meets the MBE/WBE goal. The Total Bid Price submitted by Gordon N. Ball, Inc. does not exceed the construction budget amount, so deductive Alternate 1 is not included in the award. A summary of the bids is attached as Exhibit A.

FUNDING

The project cost will be funded with Port capital funds appropriated in fiscal year 2003-04 for Amador Street Improvements.

SUMMARY

The Executive Director recommends that the Commission authorize Port staff to award Contract No. 2693 to Gordon N. Ball, Inc. for the amount of $399,150, plus a 10% contingency of $39,915 and that the Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Kathy Nakazawa, Project Manager, for
Edward F. Byrne, Acting Chief Harbor Engineer

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-78

WHEREAS, The Port Commission, at its meeting on April 27, 2004 authorized the advertisement of the construction contract for the Amador Street Improvements, Contract No. 2693 (Resolution No.04-34); and

WHEREAS, Port staff published the solicitation for bids on July 10, 2004; and

WHEREAS, Port staff received 3 bids on August 20, 2004; and

WHEREAS, The Port Engineering and the Human Rights Commission staff have reviewed the bids and determined that Gordon N. Ball, Inc. is the lowest responsive, responsible bidder; and

WHEREAS, Gordon N. Ball, Inc.'s Total Bid Price is $399,150.00 and its bid meets the MBE/WBE goals; and

WHEREAS, The Total Bid Price submitted by Gordon N. Ball, Inc. does not exceed the construction budget amount of $410,000, so deductive Alternate 1 is not included in the award; and

WHEREAS, The project cost will be funded from Port capital funds for fiscal year 2003-2004 for Amador Street Improvements; now therefore be it,

RESOLVED, The Port Commission hereby authorizes Port staff to award construction Contract No. 2693 for the Amador Street Improvements to Gordon N. Ball, Inc. for the amount of $399,150, plus a 10% contingency of $39,915.00; and be it further

RESOLVED, The Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of September 14, 2004.

_____

Secretary

EXHIBIT A - BID SUMMARY RESULT

Project: Amador Street Improvements
Contract No.: 2693
Resident Engineer: Brad Wilson
Project Manager: Kathy Nakazawa

Apparent Low Bidder: Gordon N. Ball, Inc.

Prepared By: Brad Wilson
Bids Opening Date: 20 August 2004
MBE Goal: 10%
WBE Goal: 3%

BID ITEM	DESCRIPTION	Quantity	Unit	Yerba Buena Engineering & Construction 1485 Bayshore Blvd., Ste. #256 San Francisco, CA 94124 (415) 467-2339		Ghilotti Bros., Inc. 525 Jacoby Street San Rafael, CA 94901 (415) 454-7011		Gordon N. Ball, Inc. 333 Camille Avenue Alamo, CA 95407 (925) 838-5675					
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Clearing and Grubbing, Excavation, Grading and Subsurface Preparation	-	LS	-	$ 148,000.00	-	$ 150,000.00	-	$ 115,000.00		$ -		$ -
2	Asphalt Concrete Wearing Surface (Type 'A' 1/2-Inch Maximum with Medium Grading)	-	LS	-	$ 200,000.00	-	$ 150,604.00	-	$ 175,000.00		$ -		$ -
3	Aggregate Base Class 2	2150	CY	$ 40.00	$ 86,000.00	$ 48.00	$ 103,200.00	$ 45.00	$ 96,750.00		$ -		$ -
4	Imported Backfill Material	1280	CY	$ 15.00	$ 19,200.00	$ 28.00	$ 35,840.00	$ 5.00	$ 6,400.00		$ -		$ -
5	Corrugated Metal Pipe Culvert	80	LF	$ 60.00	$ 4,800.00	$ 60.00	$ 4,800.00	$ 75.00	$ 6,000.00		$ -		$ -
	TOTAL BID PRICE (Items 1-5)			$	**458,000.00**	$	**444,444.00**	$	**399,150.00**	$	-	$	-
A1	Eliminate Construction of Sideroad Along Station Line "B" of Contract Drawing R-08 DEDUCT Lump Sum	-	LS	-	$ 28,000.00	-	$ 4,000.00	-	$ 40,000.00				
	Grand Total = Total Bid Price - Alternate #1			$	**430,000.00**	$	**440,444.00**	$	**359,150.00**				
	Bid Discount				**10.0%**		**0.0%**		**0.0%**				
	Total Bid Price AFTER Applying Bid Discount				**$412,200.00**		**$444,444.00**		**$399,150.00**				
	Total Bid Price PLUS deductice Alt. #1 AFTER Applying Bid Discount				**$387,000.00**		**$440,444.00**		**$359,150.00**				

PORT OF SAN FRANCISCO

MEMORANDUM

September 8, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice-President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique A, Moyer
Executive Director

SUBJECT: **Authorization to award contract for *Education and Public Participation Programs at Heron's Head Park* to Literacy for Environmental Justice.**

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT FOR EDUCATION AND PUBLIC PARTICIPATION PROGRAMS AT HERON'S HEAD PARK TO LITERACY FOR ENVIRONMENTAL JUSTICE.

Introduction
The Port staff requests Commission authorization to award a professional services contract to Literacy for Environmental Justice (LEJ), a community-based non-profit organization dedicated to providing environmental education programs to schools and youth groups in the Bayview-Hunter's Point community. Under the proposed contract, LEJ will conduct education and public participation programs at Heron's Head Park through this fiscal year as funded by the Port operating budget, and subsequently, for two years from the date of contract execution, depending on the availability of funds.

Background
Since 1998, the Port has supported education programs and public participation at Heron's Head Park by working with a variety of organizations and funding. From 2001 to the present, the Port has contracted with LEJ to provide education and community outreach programs at Heron's Head Park, funded by the annual operating budget. On June 22, 2004, the Port Commission adopted Resolution No. 04-54, authorizing Port staff to issue a *Request for Proposals* (RFP) to conduct education and community participation programs at Heron's Head Park, and thereby renew the competitive selection process for these important contract services. The RFP requested the following scope or work:

This Print Covers Calendar Item No. **4C**

- Developing and conducting classroom and on-site environmental education programs for K-12 schools.

- Supporting continued involvement by teachers who have developed curriculum associated with Heron's Head Park and working with new teachers to develop their capacity to use the park in their curriculum.

- Organizing and staffing community participation events and other volunteer opportunities at the park.

- Working with Port staff to support the Port's operation and maintenance efforts.

- Promoting public awareness and support for the park through media, community outreach, and other venues.

Selection Process

The RFP was issued August 3rd, 2004, advertised in the *Independent*, *Small Business Exchange*, and Purchaser's Office newsletter, posted on the Port's and Purchaser's Office web-sites, and mailed to qualified HRC-registered firms and other organizations that might be interesting in responding. With HRC approval, there were no subcontracting goals for the project. Per HRC direction, interim requirements regarding preferences for disadvantaged businesses applied. Ten organizations attended a pre-proposal conference on August 12th. On August 19th, proposals were submitted by Literacy for Environmental Justice (LEJ) and the Golden Gate Audubon Society in partnership with Kids in Parks (GGAS). Both are non-profit organizations and consequently neither is registered as a minority-owned, woman-owned or disadvantaged business. HRC reviewed both proposals and found both to be responsive and compliant with HRC requirements.

A two-person selection panel consisting of a representative of the Port's Southern Waterfront Advisory Committee and a Natural Resources Specialist from the Presidio Trust reviewed the proposals and subsequently interviewed both candidates on August 24th. Panelists ranked both organizations based on their presentation, approach to the project, and qualifications to complete the tasks required. Ranking criteria included qualifications of program staff, understanding and presentation of ecological and restoration management concepts, and qualifications and experience in building community support for park stewardship. Both panelists ranked LEJ most responsive to the evaluation criteria outlined in the RFP, and, accordingly, recommended awarding the contract to LEJ.

Contract Value, Funding and Duration

The Port has allocated funds in the operating budget to support operation and maintenance of Heron's Head Park, including $65,000 for education and community participation programs. Of these funds, the Port has expended $12,425 for extension of LEJ's previous contract through the first quarter of FY 04/05, during completion of the competitive selection process for a new contract. Port staff proposes to utilize the balance of funds available for this fiscal year ($52,575) to contract with LEJ for education and community participation programs through the rest of the fiscal year and staff has secured LEJ's commitment to enter into a contract on such

terms. In accordance with the desires of the Port Commission and the terms of the RFP, Port staff proposes to award a two-year contract to LEJ. The contract term would be October 1, 2004 to September 31, 2006. The scope of services provided after FY 04/05 will be determined in accordance with the amount of funds available in subsequent operating budgets, with a total contract value not-to-exceed $130,000 ($65,000/year for two years).

Summary

Port staff recommends that the Commission authorize the award of a two-year contract to Literacy for Environmental Justice to conduct education and public participation programs at Heron's Head Park, up to a total not-to-exceed value of $130,000.

Prepared by: Carol Bach, Assistant Deputy Director, Environmental Health and Safety

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-79

WHEREAS, the Port Commission, at its regular meeting of June 22, 2004, authorized Port staff to issue a Request for Proposals to conduct education and public participation at Heron's Head Park; and

WHEREAS, On August 22, 2004, the Port received two proposals in response to the Request for Proposals ("RFP"); and

WHEREAS, Port staff completed a review of the RFP responses and a competitive selection process resulting in a recommendation that the Port award a contract to Literacy for Environmental Justice; and

WHEREAS, the Port has allocated $65,000 in a Facilities Maintenance Project for fiscal year 04/05 to fund these programs; and

WHEREAS, the Port may allocate funds in subsequent years to continue education and public participation at Heron's Head Park; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to award a contract to Literacy for Environmental Justice to provide education and public participation programs at Heron's Head Park for two years and a total contract value not-to-exceed $130,000.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of September 14, 2004.

_____

Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

September 8, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Proposed Port of San Francisco Embarcadero National Register Historic District Nomination
No Action - Informational Presentation and Public Hearing

Summary

The San Francisco waterfront includes many historic piers, bulkhead buildings and waterfront structures, connected by the seawall and promenade along The Embarcadero. In 2000, the Port Commission and San Francisco Bay Conservation and Development Commission (BCDC) adopted amendments to their respective plans that established a comprehensive set of policies to guide waterfront development. The 2000 amendments enabled the Port to pursue seismic retrofit and repairs, and major redevelopment projects on its piers, integrated with the removal of specified piers and creation of new major open space parks and public access at strategic locations along The Embarcadero waterfront.

As part of this package of plan amendments, the Port committed to prepare a nomination for a Port of San Francisco Embarcadero Historic District for listing on the National Register of Historic Places (National Register). The Port hired URS Corporation, which headed a consultant team that includes Michael Corbett, a well-known Senior Architectural Historian, and Marjorie Dobkin, Ph.D., labor history expert, to prepare the nomination report.

The draft nomination is a comprehensive and detailed description of the history of the Port, from 1850 to the end of World War II in 1946. Its scope includes physical structures and an extensive discussion of the forces that shaped the waterfront over 100 years, including its governance, technological changes and labor. While many structures have been lost or altered, San Francisco's remaining finger piers, bulkhead buildings, wharves and related waterfront structures appear to be the most intact collection of breakbulk shipping facilities in the country.

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The historic district boundaries and specific resources affected are presented in Exhibits 1, 2 and 3. "**Contributing**" resources within the proposed historic district are those historic structures that possess features and attributes that convey the district's historic character and significance. "**Non-contributing**" resources are those structures that fall within the historic district boundaries, but do not date from the historic period of 1850 to 1946 nor otherwise convey the historic district's significant character.

The approval of a National Register historic district does not preclude the Port, its tenants or developers from making physical changes to the resources. The Port, pursuant to the Waterfront Plan policies, has and will continue to review all pier repairs and alterations within the historic district for conformance with the U.S. Secretary of the Interior Standards for Rehabilitation ("Secretary Standards") to ensure that physical changes within the district are conducted in a manner that maintains its historic character and significance. Ordinary maintenance and repair is essential to preserving the District's aging historic resources and will continue to be carried out as part of the Port's efforts to meet the Secretary Standards.

The National Register historic district designation will provide important new benefits for historic rehabilitation projects by allowing developers to receive up to a 20% federal tax credit on all eligible historic rehabilitation project costs, pursuant to the Federal Historic Tax Credit Program. The Port has found these benefits to be crucial to making rehabilitation projects like the Ferry Building, Pier 1, and Pier 1-1/2, 3 and 5 financially feasible for the Port and its developer partners. As such, the Embarcadero National Register Historic District is a very important tool for revitalizing San Francisco's waterfront.

BCDC and Port Plan Amendments

In 1997, the Port Commission approved the Waterfront Land Use Plan, a blueprint for transforming piers now obsolete to the cargo industry into urban waterfront developments that attract the public to enjoy San Francisco Bay. The Port developed the Waterfront Land Use Plan with an understanding that the Port and BCDC would have to work together to develop amendments to BCDC's Bay Plan and San Francisco Special Area Plan to bring the Port's and BCDC's policies into alignment. At the time, BCDC's policies effectively precluded major repairs and seismic retrofit necessary to stem the deterioration of the Port's aging historic piers and pile-supported structures, as well as the type of maritime-oriented mixed use developments promoted in the Waterfront Plan. Furthermore, BCDC's legislative mandate and policies promoting the removal of Bay fill -- that is, the Port's piers and pile-supported structures-- did not recognize the historic value of these resources. This was illustrated in BCDC's Replacement Fill policy, also known as the "50 Percent Rule", wherein if the Port wanted to seismically upgrade a pier, it was required that 50% of that pier be cleared to create public access, or demolished to open up Bay water to the sky.

In early plan amendment negotiations, BCDC and the Port proposed the removal of Pier 33 and others between Pier 15 through 29 to meet BCDC's fill removal objectives. This issue provoked a strong response by San Francisco Architectural Heritage and the preservation community, which opposed the removal of any historic piers, especially between Piers 9 and 35. In response, the Port and BCDC regrouped and, working with the historic preservation community, reevaluated fill removal and public open space opportunity sites, taking into account previous historic resource surveys, including a 1996 survey completed for the Port by Architectural Resources Group (ARG).

Ultimately, the Port and BCDC Plan amendments were revised and unanimously approved in large part because they minimized impacts on historic resources. Piers 24, 34, 36, the valley between Piers 15 and 17, and Pier ½ were designated for removal, none of which were determined in the ARG survey to be eligible for listing on the National Register. Pier 23 was the only National Register-eligible resource slated for partial removal in the BCDC and Port amendments. The Port agreed to remove these piers within a prescribed schedule and construct new public parks (one in the South Beach waterfront, one in the Northeast waterfront) in exchange for BCDC policies allowing a broader mix of uses than previously allowed on rebuilt or seismically upgraded piers. In addition, the BCDC and Port plan amendments called for including the piers and waterfront historic resources in a National Register historic district nomination.

The Embarcadero National Register Historic District Nomination

In December 2001, the Port hired URS Corporation to prepare a nomination report for the Historic District. URS Corporation headed a consultant team led by Michael Corbett, a well-known Senior Architectural Historian, that included Marjorie Dobkin, Ph.D., a labor history expert. The historic district nomination process involves preparation of the nomination report, approval by the Port Commission to forward the nomination to the State Office of Historic Preservation and National Park Service for review, and ultimate action by the State Historic Resources Commission. Upon approval by the Historic Resources Commission, the nomination is forwarded to the National Park Service and ultimately listed on the National Register of Historic Places, the nation's official list of sites significant in American history, architecture, engineering, culture and archaeology.

The Embarcadero Historic District will provide formal recognition of the Port's historically significant buildings and structures, and facilitate the Port's efforts to preserve and rehabilitate them. It also will provide a comprehensive and permanent account of the waterfront's important maritime history and significance in the areas of architecture and community planning and development, engineering, government, transportation, commerce and labor history. The nomination report is very thorough, detailing the development, operation, and labor culture of the Port from 1850 to 1946 (the end of World War II), which establishes the period of historic significance recognized in the nomination report. Its scope extends far beyond a focus on the physical resources, including a discussion of: 1) the creation of the State Board of Harbor Commissioners, which oversaw the development and operation of the Port; 2) engineering and technological changes that shaped the physical development of the waterfront; and 3) San Francisco's rich labor history which is deeply tied to the waterfront. Given the breadth of the research, there were several issues that required early review and consultation with staff of BCDC and the State Office of Historic Preservation and the National Park Service. In addition, URS and the Port worked closely with San Francisco Architectural Heritage and the preservation community, which generously provided its time and expertise in discussing the research presented in the report.

The area and physical resources contained within the proposed historic district are shown in Exhibits 1 and 2, and can be summarized in the following basic elements:

1) The Seawall, running along the east side of The Embarcadero, from Pier 45 to China Basin, which establishes the spine of the historic district that connects the individual resources. A small stretch of the Seawall in front of Pier 48 on the south side of China Basin Channel also

is included in the historic district. Generally speaking, Herb Caen Way Promenade runs along the top of the seawall.

2) "Bulkhead wharf" segments (also sometimes referred to as "marginal wharf"), which run adjacent and parallel to the Seawall, from Pier 45 to China Basin Channel, and provide connections between the Seawall and piers. Some of the segments have been lost or altered with hardscape and softscape landscaping for public access improvements. Some segments form the platform upon which bulkhead buildings were built as the front entrance to a pier. Exhibit 3 shows the various bulkhead wharf segments.

3) Piers, most of which have bulkhead buildings and pier sheds, from Pier 45 in the north to Pier 48 in the south. Those piers that have been lost also are acknowledged. New piers built or significantly altered after WWII, which are not considered to be historically significant, are not included in the historic district.

4) Other waterfront structures, which include the grand –The Ferry Building and Agriculture Building, and the modest – the Pier 22-½ Fireboat House and assorted waterfront cafes, restaurants and offices that served the waterfront workers and businesses.

The resources within the historic district boundaries are classified as "Contributing" or "Non-contributing". "Contributing" resources are those that possess features and attributes that help convey the district's historic character and significance. Where alterations have been made to historic resources, they are noted in the nomination report. "Non-contributing" resources are those structures that fall within the historic district boundaries, but do not date from the historic period of 1850 to 1946 nor otherwise convey the historic district's significant character. Unnamed piers or waterfront structures are not included in the boundaries of The Embarcadero National Register Historic District, and thus not addressed in the nomination report.

The history of the San Francisco waterfront in many ways is very similar to the waterfront today. Over its life, the waterfront has and continues to evolve, constantly changing in response to business opportunities, engineering and technological innovations, financial conditions, and Nature itself. The saw-toothed profile of the seawall, as initially constructed, eventually was modified to the straight-edged form that exists today, to minimize the build-up of silt and its associated limitations on berthing. The wooden piers and bulkhead wharf platform atop the seawall were eventually replaced with a new bulkhead wharf beginning in the early 1900's, employing new engineering design and use of reinforced concrete to reduce damage by fire, vermin and the harsh marine environment. Throughout, the State Board of Harbor Commissioners, like the Port Commission today, made changes and refinements to the design and materials to continually improve construction quality and functionality. By the late 1930's, the historic piers and bulkhead wharf as we know them today, designed in classical architectural styles to beautify the waterfront, were complete. However, the waterfront has continued to change since then, with repairs and replacements carried out in order to maintain the piers and respond to changes in cargo handling practices, and maritime and industrial needs. Most notably, in the 1950's, piers were altered and some structurally merged to create more efficient access, as truck and vehicles replaced freight rail transportation as the mode of choice along The Embarcadero.

The inclusion of the labor history discussion in the nomination report provides an equally interesting account of the culture of the historic working waterfront. This treatise, based on extensive research and oral histories, includes a description of working conditions, types of work required to conduct shipping and port operations, the relationships between workers and employers, and the events that led to the rise of unionized labor in San Francisco.

In the course of conducting research of each of the piers, URS concluded that Piers 36 and 40, and waterfront café resources now occupied by Red's Java House, Pier 23 Café and Pier 28-1/2 Cafe were contributing resources in the historic district, although they had not previously been identified as such in the ARG historic survey. While there are no plans that would adversely affect Pier 40 or the café facilities, Port- and BCDC-approved plans call for the removal of Pier 36 (and Pier 34, removed in 2001) and the adjacent bulkhead wharf, to make way for development of the Brannan Street Wharf public park in South Beach. Given the assessment in the nomination report, the removal of the Pier 36 and bulkhead wharf resource now could be considered to have a significant adverse environmental impact on historic resources under the California Environmental Quality Act (CEQA). Accordingly, a supplemental environmental impact report will be necessary to analyze this impact and identify feasible mitigation measures. The Port is still fully committed to the Brannan Street Wharf project and is coordinating with San Francisco Cruise Terminal LLC to carry out the additional CEQA environmental analysis. It is anticipated that this work will be completed in accordance with the current schedule for completing the Brannan Street Wharf Park by 2006.

The nomination report includes Section 9a of the bulkhead wharf, located between the Agriculture Building and Folsom Street, immediately north of the Pier 22-1/2 Fireboat Station, as a contributing resource within the proposed historic district. This resource consists of remnant concrete piles which are in a very advanced state of deterioration, with no remaining deck substructure or surface materials. There is no longer any physical connection with the seawall. Upon review of the nomination report, Port staff do not concur with URS' recommendation that Section 9a be included as a contributing or non-contributing resource in the historic district because this section of the bulkhead wharf no longer exists. Staff believes the documentation of Section 9a properly should be included in a section of the nomination report that describes and discusses "Lost Features", to ensure there is a permanent record of other historic resources that are not included within the historic district. To resolve any outstanding questions regarding the status of this resource, Port staff will forward this matter to the State Office of Historic Preservation for further consultation and determination as to the status of this remnant resource.

Effect on Public Private Historic Rehabilitation Projects

The Embarcadero Historic District will greatly benefit the Port's public private historic rehabilitation projects. By listing the Historic District on the National Register, waterfront historic rehabilitation projects will have access to the Federal Rehabilitation Tax Credit program. Currently, the Ferry Building, Agriculture Building and Piers 1 to 5 resources are listed on the National Register, of which all but the Agriculture Building have been rehabilitated under this federal tax credit program.

The tax credit program creates significant financial incentives by providing a developer that rehabilitates historic resources with a source of funds for up to 20% of the total soft and hard costs of the historic rehabilitation. This makes the projects feasible for a developer to undertake, while paying the Port base or participation rents. The developer of the three historic preservation

projects to date – Ferry Building, Pier 1, Pier 1 ½ to 5 - all found that their historic tax credits were critical for making their projects financially feasible. The project could not have gone forward without these historic tax credits.

These projects have proven that the historic rehabilitation tax credit is essential to making historic rehabilitation projects economically feasible for the Port and the developer. Furthermore, the rehabilitation of National Register resources in accordance with the Secretary Standards affords developers greater flexibility than non-historic structures in complying with public trust requirements as may be interpreted and applied by the California State Lands Commission and in complying with CEQA. The tax credit savings and regulatory flexibility afforded for National Register historic rehabilitation projects --which do not apply for similar projects in local historic districts designated by the City-- are major incentives for developers. Given the complex nature of these development projects, including complicated and often political entitlement requirements, such incentives become very important because they reduce risk to the developer, and thus increase the viability of rehabilitating the Port's historic resources.

Proposed projects involving or affecting historic resources will continue to be subject to environmental review in accordance with the California Environmental Quality Act and, in cases where decisions by federal agencies are required, federal review of impacts on historic resources. However, rehabilitation of such projects in accordance with the Secretary Standards are deemed to not have an adverse impact on such historic resources.

Although The Embarcadero National Register Historic District nomination report establishes the most comprehensive account to date of the Port's historic resources, operations and labor history, it doesn't cover all site-specific details. This is not unusual or inappropriate for a District nomination, especially one of this large size. Individual rehabilitation development projects have and will continue to involve supplemental research about the given facility, its physical features and historic uses. In addition, in light of the waterfront's rich labor history documented in the nomination report, subsequent research and documentation for individual projects will also include labor history in the scope of effort. This will ensure that the Port is able to continue to build upon and expand its understanding of the events and working conditions along the waterfront, and to consider this aspect of the site's significance along with the historic architectural features and character of given resources.

Effects on Port Leases and Property Management

The creation of the Embarcadero Historic District will not result in any change in the status of Port tenant leases. It does not preclude tenants nor the Port from conducting ordinary maintenance and repairs, alterations, replacements or other improvements necessary to maintain and rehabilitate the resources within the Historic District. However, such work must be sensitive to and consistent with the District's historic character and significance relative to the improvements in place as of 2004. Projects affecting historic resources also will continue to be subject to environmental review in accordance with CEQA, and applicable federal review requirements when decisions by federal agencies are required for a project.

The conduct of ordinary maintenance and repair is essential to preserving the resources in the District, especially in light of the advanced age of the facilities, and thus considered an important aspect of the Port's efforts to meet Secretary Standards. Given the Port's limited financial resources, maintenance and repairs must be carried out in a prudent and cost-effective manner, to

maximize preservation benefits. Maintenance and repair applies to historic pier and bulkhead superstructures as well as pile and substructure elements, and include but are not limited to the following: cleaning; application of shotcrete to the substructure; removal and replacement of spalling concrete; deck repair or replacement; repair, reinforcement or placement of piles and batter piles; cap beam repair or replacement; seismic repairs and retrofit (including installation of seismic joints); repair of damage caused by fire or other disaster.

In 1997, the Port Commission approved historic preservation policies as part of the Waterfront Plan. Accordingly, the Port's Planning & Development staff have reviewed alterations of historic resources as part of the Port's building permit application process, and Port Capital Improvement program to ensure that permitted work is consistent with the Secretary Standards. This review takes into account and accepts prior permitted alterations, without penalty to a new alteration proposed by the Port or one of its tenants. When an alteration proposal includes changes that adversely impact an historic resource, the Port's urban design and historic resource staff work with the applicant to develop alternatives consistent with the Secretary Standards and tenant needs. In certain cases, the Port may consult with a qualified third party historic architect to complete this review. In virtually all cases, the Port has been able to work through this administrative process to arrive at conclusions that meet the applicant's objectives and maintain the historic character of the affected building. These review procedures will not change with the creation of the Embarcadero National Register Historic District.

Conclusion

The Embarcadero Historic District provides formal, national recognition of one of the last and most intact breakbulk shipping ports in the United States. The historic district nomination report provides a permanent account of not only the physical resources contained within, but also the birth, development and workings of the Port, from 1850 to 1946.

As time has shown, the waterfront has constantly evolved and adapted to many changes while maintaining its essential physical form. This continues to be the case as the Embarcadero has transitioned from the cargo and maritime industrial center that once dominated the area to an active, public-oriented urban waterfront. Preserving and maintaining the Embarcadero Historic District while enabling change that will actually preserve its physical resources is a heavy responsibility of the Port and the City. The piles and substructure of many piers are old and deteriorated, dictating the need for ongoing, expensive repairs to rehabilitate the waterfront's historic piers, sheds and bulkhead buildings. The Secretary Standards establish the criteria under which rehabilitation of the Port's piers, sheds, bulkhead and other waterfront buildings should be conducted to preserve the District's historic character, which may involve major substructure construction and repair to support the structures above, and meet current seismic and public safety requirements. The Ferry Building, Pier 1, and Piers 1-½, 3 and 5 projects provide early successes that demonstrate how to achieve all of these objectives, consistent with the Secretary Standards. The unique opportunities and developer incentives that will be available under the Embarcadero National Register Historic District are critically important to attract the private investment required to preserve and rehabilitate as many piers and historic resources as possible.

Submitted by: Diane Oshima
Asst. Deputy Director, Waterfront Planning

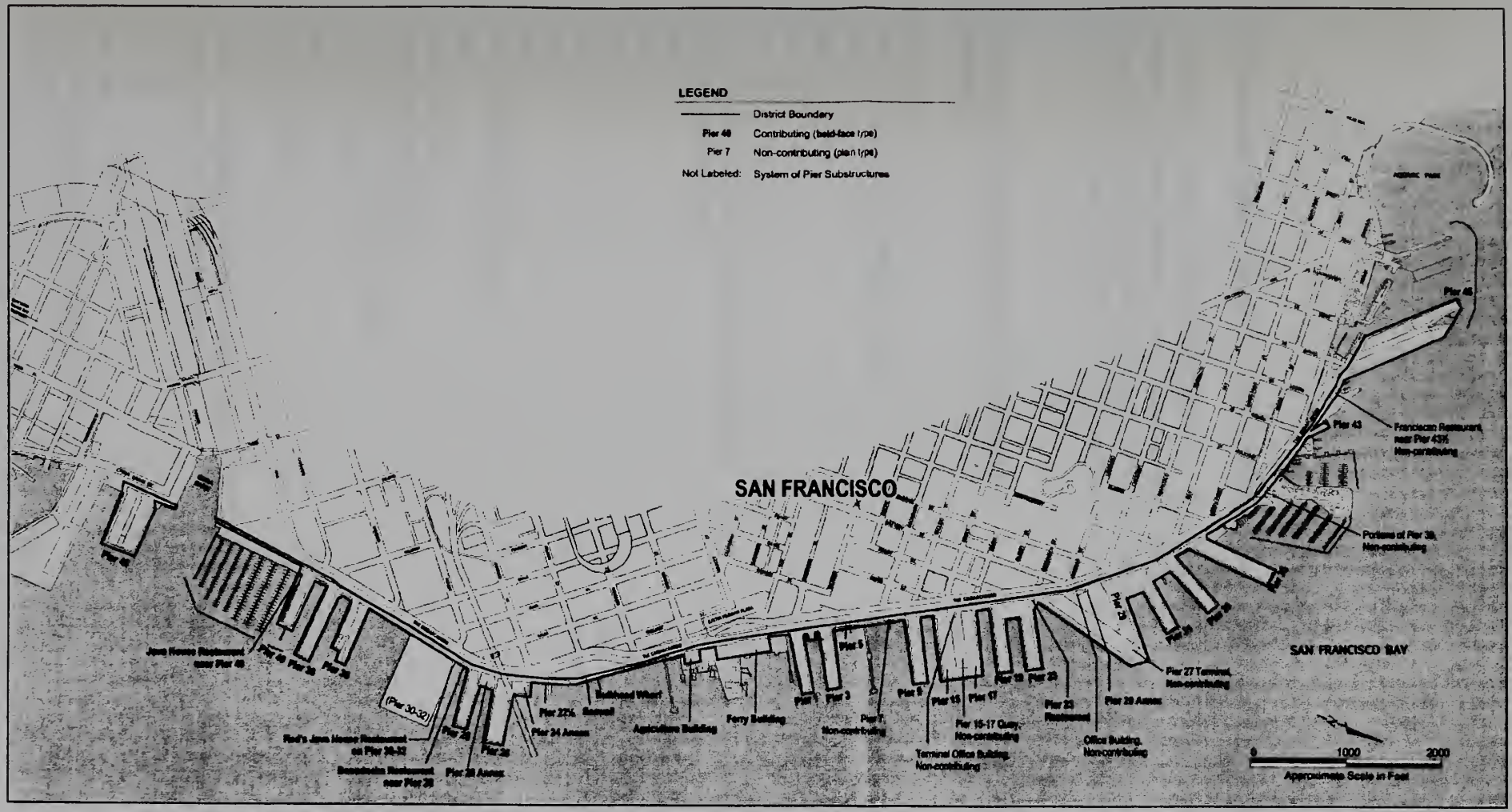


EXHIBIT 1

PORT OF SAN FRANCISCO
EMBARCADERO HISTORIC DISTRICT

Exhibit 2

Proposed San Francisco Embarcadero National Register Historic District

The Embarcadero National Register Historic District includes the Embarcadero Corridor which is made up of the Seawall, Herb Caen Way/Embarcadero Promenade, and the "bulkhead wharf," open asphalt wharf areas between piers that parallel the Embarcadero. In some locations, they also function as the platform and substructure for bulkhead buildings that sit on top.

Historic Structures within the Historic District:

Pier 45
Pier 43 (Car Ferry Headhouse)
Pier 35
Pier 33
Pier 31
Pier 29
Pier 29 Annex (Belt Railroad) building
Pier 23 Restaurant
Pier 23
Pier 19
Pier 17
Pier 15
Pier 9
Pier 5
Pier 3 (including Pier 1½)
Pier 1
Ferry Building
Agriculture Building
Pier 22½ – Fireboat House
Pier 24 Annex
Pier 26
Pier 26 Annex
Pier 28
Former Boondocks Restaurant, near Pier 28
Reds Java House Restaurant
Pier 36
Pier 38
Pier 40
Java House Restaurant, near Pier 40
Pier 48

Non-Historic structures within the Historic District that are either attached to, or sit on top of the bulkhead wharf:

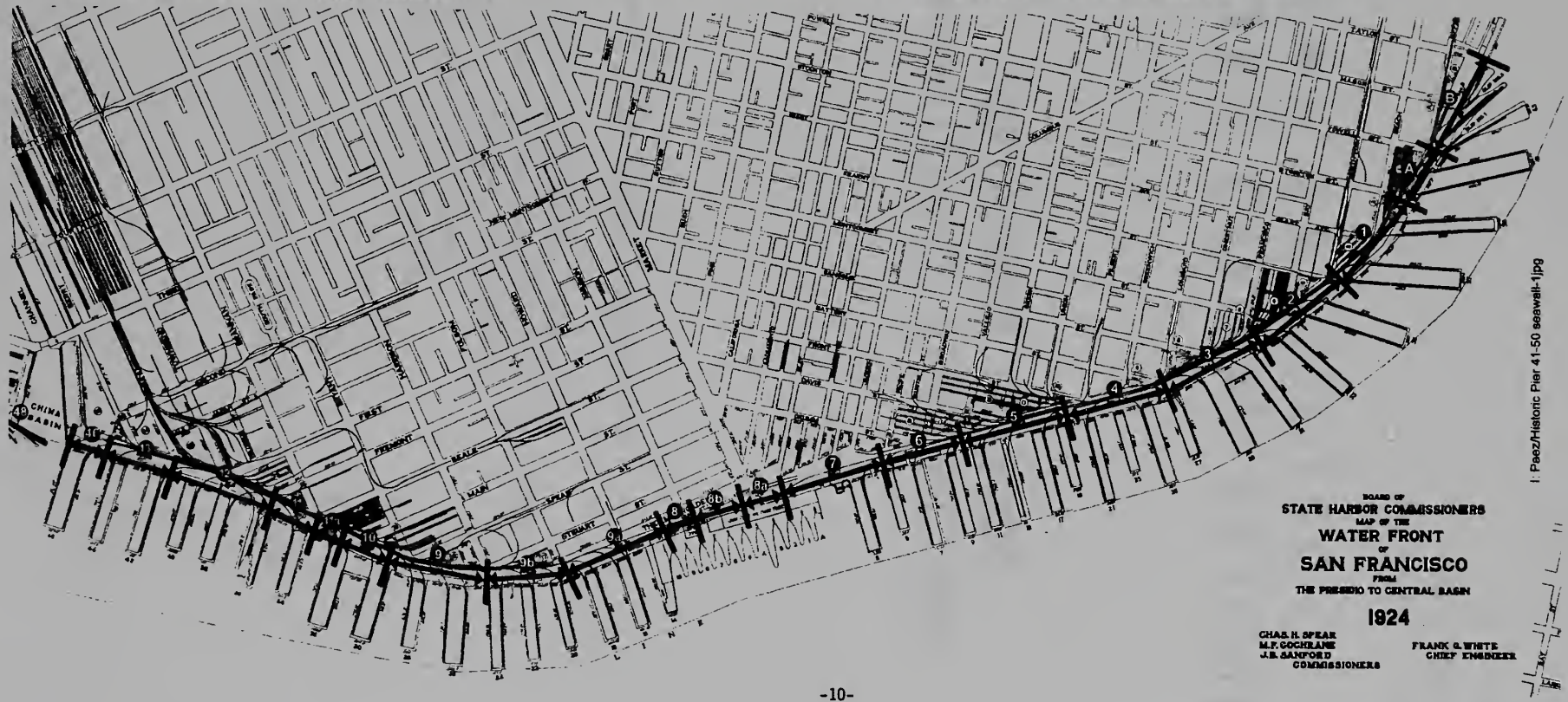
Franciscan Restaurant, near Pier 43½
Pier 41 (portion of building on top of the bulkhead wharf)
Pier 39 (portion of building on top of the bulkhead wharf)
Aquarium of the Bay (portion of building on top of the bulkhead wharf)
Office building (Pier 29)
Pier 27 Terminal Building
Pier 15-17 Quay structure
Pier 7 (Waterfront Restaurant)
Terminal Office Building, Pier 15-17

EXHIBIT 3

BULKHEAD WHARF AND SEAWALL LOCATION BY SECTION
Embarcadero National Register Historic District (Pier 45 - 48 at China Basin)
Source: Board of State Harbor Commissioners 1924 Biennial Report

Legend

Section B - 1000' between Taylor and Powell Streets - Constructed 1914.
Section A - 561' between Powell and Stockton Streets - Constructed in two parts in 1914.
Section 1 - 1000' between Stockton and Kearny Streets - Constructed in two parts in 1913-14 &1914-15.
Section 2 - 1000' between North Point and Francisco Streets - Constructed in two parts in 1914-16 & 1917-19.
Section 3 - 1000' between Francisco and Lombard Streets - Conatructed in three parts in 1915-16, 1917-18 & 1918-19.
Section 4 - 1000' between Lombard and Union Streets - Constructed in two parts in 1920 and 1921-22.
Section 5 - 1000' between Union and Vallejo Streets - Constructed in four parts in 1912-13, 1914-15, 1921-22 & 1930-31.
Section 6 - 800' between Vallejo and Pacific Streets - Constructed in three parts in 1916-17, 1917 & 1920.
Section 7 - 980' between Pacific and Clay Streets - Constructed in six parts in 1894-95, 1909, 1916, 1920, 1921-22 & 1929-30.
Section 8a - 392 ' between Clay and Market Streets - Constructed 1894-95.
Section 8b - 450' between Market and Mission Streets - Constructed 1915.
Section 6 - 300' between Mission and point north of Howard Streets - Constructed 1915.
Section 9a - 990' south of Mission to Folsom Street - Constructed 1913 and demolished in 1975 and 1983.
Section 9b - 788' between Folsom and Harrison Streets - Constructed 1913, all but 60' was demolished in 1983.
Section 9 - 990' south of Mission to Folsom Street - Constructed in two parts in 1909-10.
Section 10 - 537' north of Beale to Main Street- Constructed 1910-11.
Section 11a - 281' south of Main to Beale Street - Constructed 1912-14.
Section 11 - 353' north of Beale to Fremont Street - Constructed 1909-10.
Section 12 - 1167' between Fremont and King Streets - Constructed in two parts in 1909.
Section 13 -600' between King and Berry Streets -Constructed in two parts in 1917-18 & 1935-36.
Pier 46 Section - 236' between Berry Street and China Basin Channel - Constructed in 1914.
Pier 48 Section - 500' north side of Pier 50 to China Basin Channel - Constructed 1928-29.



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SEPTEMBER 14, 2004
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION

HON. WILFRED HSU, PRESIDENT
HON. MICHAEL HARDEMAN, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. SUE BIERMAN
HON. ANN LAZARUS

MONIQUE MOYER, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
SEPTEMBER 14, 2004

1. CALL TO ORDER / ROLL CALL

Commission President Wilfred Hsu called the meeting to order at 3:07 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman, Kimberly Brandon, Sue Bierman and Ann Lazarus.

2. APPROVAL OF MINUTES - August 31, 2004 Special Meeting

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; the minutes of the August 31, 2004 Special Meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report – Ms. Moyer reported the following:

- The T-Mobile International Bicycle Race was held on Sunday, September 12, 2004 in the City which resulted in a significant portion of the Embarcadero roadway being closed. Approximately 120 of the world's top professional cyclists participated in the race. In addition to the bike race, there was a cruise ship call at Pier 35, a 49er football game at Candlestick Park and concerts at Golden Gate Park. Staff hoped that the activities would be good for the waterfront but the tenants north of and much of the Ferry Building suffered throughout the day in terms of their business and staff was disappointed with the impacts of the street closure. The cruise ship in port that day necessitated special traffic blocks for the cruise passengers to sneak through the race lines with their luggage. The street closure made it difficult for excursion busses and cabs to get to and from the cruise terminal. Nonetheless, with the help of the entire City, the event went smoothly. The Ferry Building received some beautiful footage as part of the race.

- South Beach Block Party: Ms. Moyer invited Ms. Marilyn Smith from the Rincon Point South Beach CAC to speak about the success of the first ever South Beach Block Party.

  Marilyn Smith indicated that there were approximately 1000 people in attendance at the party, which is 10% of the number of people living in that area. The South Beach area is historic. It has a historic path, a dynamic presence and an emerging future. They wanted to celebrate the area by having a local, non-advertised block party. They invited only residents and people who are acquainted with the residents in the area. There were 450 meals catered by the Delancey Street Foundation. There were many

free activities. Everything was free except for lunch. People took tours on board the USS Potomac which sailed over from Jack London Square. People also went on board the San Francisco fireboat. There were lawn games. The Redevelopment Agency, the Port, the Golden Gate Railroad Museum and others were exhibitors at the party. Everybody had a wonderful time. Many of the residents donated lots of prices. She thanked everyone who sponsored and participated in the event .

Ms. Moyer indicated that John Doll from the Port's Planning and Development division and Rob Hertzfeld from Lend Lease had an exhibition booth showcasing the proposed Pier 30/32 cruise terminal. They spent a long afternoon promoting, publicizing and answering questions about the project. She thanked them both for volunteering their time and for making the Port proud.

- Sapphire Princess Cruise Ship will be calling in San Francisco on September 22, 2004 at Pier 35. This is the largest cruise ship to ever call at the Port. It is so large that it does not fit through the Panama Canal. It will be homeporting in San Francisco throughout the fall and making roundtrips to Mexico (ten-day trip). The challenge is it is going to be loading and unloading 5,200 passengers at Pier 35. That would similar to 8 jumbo jets landing simultaneously at SFO. It will be a challenging and exciting day for the Port. It will necessitate the closure of the Embarcadero roadway in order to comply with the traffic demands and with the Homeland Security issues in the Northern Waterfront. Staff is doing its best to advertise and notify the tenants and the public about the street closure. It will obviously be a challenge but it's one that Port staff can and will do its best to accommodate.

- Power Outage at the Port – Over the weekend, there was a lengthy power outage at Pier 1 and the Ferry Building. Pier 1 was again without power yesterday until almost 5 p.m. It was a challenging day for the Port as it impacted our tenants including Pier 1 Deli. She commended Port staff for the yeoman's job they did in getting the work done and staying attentive in the dark and in the heat at Pier 1. PG&E had some difficulty in locating and fixing the problem, complicated by the fact that it occurred during the race when there were approximately 500,000 people at various points along the waterfront. She thanked Port staff for working so diligently yesterday and getting through the day.

4. ENGINEERING & MAINTENANCE

A. Request authorization to advertise for competitive bids for Pier 35 Security Enhancements, Contract No. 2692. (Resolution No. 04-77)

Kathy Nakazawa, Port Engineering, requested Commission's authorization to advertise the aforementioned project. The Port received a grant for security enhancements of three facilities. This is the third of the three facilities. The objective of the security enhancements is to prevent access to cruise ships by anyone intent upon gaining control of a vessel. Preventative measures include enhanced separation and screening of: (1) passengers and luggage, (2) vendors and vessel stores, (3) other services and personnel. Staff, through a collaborative effort between Port divisions as well as the terminal

operator, Metropolitan Stevedores, have attempted to create a design consistent with the longer-term strategic improvements planned at the facility and understanding that there will hopefully be another cruise ship terminal at the Port. The collaborative design effort will provide the necessary security enhancements to the pier, yet also result in visual improvements to the facility that will welcome passengers to San Francisco. The scope of consists of the following:

1. Required demolition, cutting and patching to allow for the security enhancements to be constructed/installed.
2. Relocating specific activities and operations within the terminal to accommodate the work.
3. New security fences, gates and exterior storefront windows to separate and secure access between public and non-public spaces.
4. New interior entry doors, walls and glazed storefront to separate passengers from the general public and vehicular areas.
5. New, interior centralized security facility and monitoring/control station that overlooks the passenger screening area.
6. New security cameras, door alarms and card-key access, and interior/exterior lighting.
7. New segregated baggage laydown and claims rooms.
8. Modify the fire alarm and sprinkler systems as required.

The Pier 35 portion of the TSA grant is for $3,150,000. However, the available construction funds for this portion of the work is $2,502,500 including 10% contingency. There are other portions that are being constructed or purchased as part of the security enhancements at Pier 35 which take up approximately $600,000 under the $3 million.

The key drivers to the schedule of this project are the TSA grant expiration date (July 2005) and the cruise ship schedule for 2004 and 2005. The last ship arrives at the Port on November 22nd. Staff plans to complete work by March 2005.

Staff plans to advertise the project this week and will request Commission's authorization to award the contract at its October 26 meeting.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-77 was adopted.

B. Request authorization to award Construction Contract No. 2693, "Amador Street Improvements" to Gordon N. Ball, Inc. (Resolution No. 04-78)

Kathy Nakazawa, Port Engineering, requested Commission's authorization to award the contract to Gordon Ball, Inc. for $399,150 plus 10% contingency in the amount of $39,915 and authorize the Executive Director to accept the work when completed. This project is for the construction of a paved, temporary access road to connect Amador Street on Piers 90-92 with Piers 94-96. The engineer's cost estimate is $410,000. The Port received three bids. The Human Rights Commission staff set subcontracting goals of 10% MBE and 3% WBE and determined that Gordon N. Ball, Inc. has met the MBE/WBE goal

and is the lowest responsive, responsible bidder for the project. The project cost will be funded with Port Capital Plan funds appropriated in FY 2003-2004.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-78 was adopted.

C. Request authorization to award contract for Education and Public Participation Programs at Heron's Head Park. (Resolution No. 04-79)

Carol Bach, Asst. Deputy Director for Environmental Health & Safety, requested Commission's authorization to award a professional services contract to Literacy Environmental Justice (LEJ) to perform educational and public participation Programs at Heron's Head Park. At the end of June, the Commission authorized staff to issue an RFP to perform these services. The services include conducting classroom and on-site education programs regarding the natural history at Heron's Head Park, doing public outreach and developing community and volunteer participation activities at the park and working with Port staff to operate and maintain the park. At the beginning of August, staff issued the RFP. With HRC approval, there were no subcontracting goals in the proposal but the interim regulations regarding preferences for disadvantage businesses did apply to the RFP. There was a lot of interest and good attendance at the pre-proposal conference. Ultimately, staff received two proposals, both from non-profit organizations. Both were deemed responsive to HRC requirements. A two-person panel interviewed both respondents and found that while both were extremely well qualified and have submitted excellent proposals, the panel recommended LEJ to be awarded the contract based on their qualifications, their approach to the project and their demonstrated experience and expertise in this area. The Port has allocated funds in this fiscal year's operating budget for support for these programs. She requested Commission's authorization to award the contract to LEJ in the amount of $52,575 for the balance of this fiscal year and authorization to continue that award in subsequent fiscal years under the same terms depending on availability of funds in subsequent operating budget up to a maximum term of two years from the initial award.

Commissioner Bierman commented that she was happy with the outcome. Ms. Bach concurred with Commissioner Bierman and added that the process was of benefit to the park and to program.

John Solomon, San Francisco Conservation Corps, indicated that a year ago, he was granted an internship at the San Francisco Conservation Corps at Heron's Head Park. During his tenure, he noticed a lot of changes, mostly in the youth that came to the park. The kids seemed to want to go back on their own to visit the park. They removed all of the invasive plants at the park. It was a great educational opportunity for students.

Benjamin Stone-Francisco, Literacy for Environmental Justice, was proud and honored to represent the Port and LEJ at Heron's Head Park (HHP) and doing its educational and stewardship programs and hopes to continue to do so. Heron's Head Park will continue to be an excellent example of an open space area at Bayview Hunter's Point (BVHP). LEJ is committed to work progressively for the BVHP children and the community. Last season,

they served approximately 1500 students with over 2500 hours volunteer service at the park. The children love it. HHP is the bridge between the community and the natural world. As long as they keep the progress growing, they will continue building the bridges. HHP is a diamond in a rough for the community of BVHP and the Port. If they continue working on it, it will the diamond in the eye of the City and the Bay Area.

Commissioner Brandon asked what distinguished LEJ from Golden Gate Audubon Society and asked about the selection process. Ms. Bach replied that the schedule of fees and cost proposals were secondary to the primary selection criteria which were based on professional qualifications. Staff was looking at: (1) Demonstrated experience and qualification in environmental education specifically with urban youth and in the area of salt marsh ecosystems; (2) Experience and qualification at public and community outreach and demonstrated success; (3) An overall approach to the project. The contractor's understanding and perspective about the work and their qualification to perform in any new or value-added ideas with the programs. The two-person selection panel asked seven questions in the interview that were designed to flush out the consultant's qualifications in each of those areas. Based on their responses, LEJ was more experienced in working with urban youth, environmental justice issues, and community and public outreach. The panel felt that LEJ's program staff who would be meeting and working with the students and the public is more qualified than GGAS. Both organizations had different and valuable qualifications to bring to the program but overall LEJ demonstrated higher competency on those areas.

Commissioner Brandon asked about the difference in the amount of bids. Ms. Bach replied that the schedule of fees and the cost proposals were very similar in terms of the total amount. Both organizations were aiming for the $65,000 a year contract. For that amount of money, both respondents will provide 1.5 full time equivalent staff at the park.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-79 was adopted.

5. PLANNING & DEVELOPMENT

A. Presentation and Public Hearing on the proposed Port of San Francisco Embarcadero National Register Historic District, consisting of an approximately three-mile area of the waterfront along the Embarcadero, between Pier 45 in Fisherman's Wharf and Pier 48 at China Basin, including the seawall, historic piers, wharves and structures located on the wharves. On September 28, 2004, the Port Commission will consider action to approve the proposed Historic District, and authorize staff to submit the Historic District nomination report to the State Office of Historic Preservation and National Park Service for listing on the National Register of Historic Places.

Diane Oshima, Planning & Development, indicated that it was important to provide the overall context within which the Port of San Francisco Embarcadero National Register Historic District is being proposed and nominated. The staff report lacks pictures and understanding about some of the substance behind the nomination. The PowerPoint presentation is intended to touch on the key points as to the significance of the district, the

significance to its role in enabling the waterfront revitalization development as well as educate the public about the important set of resources. People often see an image of the Port with the piers sticking out. It's one of the reasons why there is an appeal to give national recognition to the Port of San Francisco's piers. With downtown in the background, it creates a very distinctive urban waterfront that gives San Francisco one of its strong icons for telling people that they are in San Francisco. The piers, collectively, represent one of the last and the most intact breakbulk port in the United States which is recognized in the nomination. Over its 100+ year history, there clearly have been many changes. There's an essential physical form that has endured all this time not only physically but also in terms of its function, its role within the City development, the labor and the working people that made it alive. All of those aspects are recognized in the nomination report. It is an extensive nomination report, almost 500 pages in length. The Port hired URS Corporation which headed a consultant team that includes Michael Corbett, a well-known Senior Architectural Historian and Dr. Marjorie Dobkin labor history expert to prepare the extensive nomination report. It is the most comprehensive report on record. Page 8 of the nomination is a very interesting read. The nomination report would not have been possible without Mark Paez who provided innumerable hours and effort. Staff also worked extensively with the San Francisco Architectural Heritage, the preservation community and the community at large.

The draft nomination is a comprehensive and detailed description of the history of the Port, from 1850 to the end of World War II in 1946. The historic district area runs from Pier 45 in Fisherman's Wharf to Pier 48. It includes the piers, the seawall, the bulkhead buildings, and the bulkhead platforms. This is recognition as a collection. The State Historic Preservation Office (SHPO) and the National Park Service indicated that they may not meet the National Register Criteria individually but at as a collection, they warrant this kind of recognition.

The Historic District Nomination report recognizes this district on many different levels. In the government section, one of the categories that this district was nominated for, one will find historic kinship in understanding what the State Board of Harbor Commissioners had to deal with when it first took over the Port in 1863. At the time when the Gold Rush first started, the waterfront was actually under the City's control. There was a sense of frenzy of people coming to San Francisco. There was a period when filling and constructing of wharves and filling of privately owned water lots became a problem for the waterfront. To remedy the situation, the State set up the State Board of Harbor Commissioners which like the Port Commission has the same sort of responsibilities in terms of maintaining, building, replacing, responding to business needs and technological changes on a financially self-supporting basis. The Board of Harbor Commissioners was able to fund what they were able to support with the revenues that were generated and also like the Port Commission today have found problems along the way where those resources and opportunities didn't always match up. The State Board of Harbor Commissioners provided a stable oversight committee that gave independence and accountability of the waterfront to the people of California.

In the area of maritime commerce, the nomination report provides full detail of all of the different maritime activities and businesses that have taken place along the waterfront from

its inception during the Gold Rush years through the manufacturing and industrial period. It was the highest value port in the country, second only to New York. The Port in the 1940's became such a strong player in the nation's effort in the Pacific War.

Shipping and all of the activities associated with the piers to transport materials by water was clearly the main transportation theme that gives rise to the historic nomination. There were also other aspects of transportation that were recognized in the nomination. The picture of the Belt Railroad is the most significant and unique for San Francisco because the Belt Railroad and State Harbor of Commissioners were the only public/port entity that created and operated a working freight railroad system that served all of the piers. The report also recognizes the sweeping changes in transportation, from the horsedrawn wagons to freight rail. With the opening of the bridges, the use of vehicles and trucks became the mode of choice. There were changes in the pier structures and operations in the way that labor manifested itself along the waterfront, all of which were recognized in the nomination.

It was an engineering feat to build and maintain a waterfront that had heavy constant use and subject to harsh marine conditions. The nomination report celebrates and recognizes the Port's engineers and architects, the people knowledgeable about the waterfront from an operational and design standpoint. The engineers understood what worked and what didn't in terms of design, construction materials, operations and continually adapted and repaired the waterfront to respond to the various trends that took place over time.

An extensive chapter of the report focused and touched on so many different aspects of waterfront labor and recognized the longshoremen, seamen, piledrivers, carpenters, waterfront cafes and businesses that served the workers. The report also mentioned the way in which they work, the type of equipment they used, how it changed when technology and operations changed.

Aside from all the work that was done, there are some significant events from a labor history standpoint that were recognized such as the great strike in 1934 when the longshoremen shut down the port and for a shorter time, shut down the City. The labor strike was discussed extensively in the report. The role of Harry Bridges as the head of the longshoremen's union was also chronicled in the report.

The nomination report also recognizes the district for its significance in architecture, community planning and development demonstrating that not only was there attention to the function and ensuring that there are state of the art facilities to respond to all of the anticipated shipping needs but an eye towards the relationship of the waterfront with the rest of the City. From the early 1900s when the Ferry Building was completed through the construction of the latest generation of piers seen today with the mission revival or gothic revival style architecture. This monumental architecture was an extension of a City-beautiful movement which was a big movement that San Francisco embraced in the early 1900s that focused on making civic improvement projects, and something that provide public benefit, enjoyment and pride and that was conveyed to the waterfront as well. During this time, the Panama Canal was also anticipated to open so the notion of opening up San Francisco to a whole new area of trade also influenced this development.

The area and physical resources contained within the proposed historic district are as follows:

1. Seawall, running along the east side of the Embarcadero, from Pier 45 to China Basin, which establishes the spine of the historic district that connects the individual resources. A small stretch of the seawall in front of Pier 48 on the south side of China Basin Channel also is included in the historic district.
2. Bulkhead wharf segments or marginal wharf, which run adjacent and parallel to the Seawall, from Pier 45 to China Basin Channel, and provide connections between the Seawall and piers. Some of the segments have been lost or altered which hardscape and softscape landscaping for public access improvements. Some segments form the platform upon which bulkhead buildings were built as the front entrance to a pier.
3. Piers, most of which have bulkhead buildings and pier sheds, from Pier 45 in the north to Pier 48 in the south. Those piers that have been lost also are acknowledged. New piers built or significantly altered after WWII, which are not considered to be historically significant, are not included in the historic district.
4. Other waterfront structures which include the grand Ferry Building, Agriculture Building and the modest Pier 22 ½ Fireboat House and assorted waterfront cafes, restaurants and offices that served the waterfront workers and businesses.

The resources, while they've come together at a time, they have also endured a lot of change. Some of the changes include the construction and demolition of the Embarcadero freeway, pier modifications for trucking such as the Pier 15-17 in the valley. Pier 15 and Pier 17 used to be two separate piers. With the influx of trucking as a means of getting cargo in and out of the City, the valley was filled in to create a flat open area for trucks to circulate. Pier 30-32 is a similar situation. In addition to making modifications to respond to maritime shipping and functions, there was a notion of opening up the waterfront more for public awareness and understanding and recreation. Pier 39 was the pioneer in that regard, taking off entire piers and replacing them and transforming it into a public access resource.

The movement to try and transform the waterfront into a more of a public access resource for the City was long overdue. It stretched over a period of over 20 years. It culminated with the Port's efforts to develop the Waterfront Land Use Plan. The Port developed the Waterfront Land Use Plan with an understanding that the Port and BCDC would have to work together to develop amendments to BCDC's Bay Plan and San Francisco Special Area Plan to bring the Port's and BCDC's policies into alignment. Part of that BCDC process was to reconcile how to respect and integrate the historic preservation policies into the mix. The Historic Preservation community regarded the initial proposals from the Port and BCDC as hostile. The Special Area Plan Amendment process in large part was driven by the City and BCDC's desire and need to come to some understanding about how that would take place.

Ms. Oshima showed a drawing to the Commission that summarizes where the different open space and pier removal locations are set up in the WLUP and the BCDC plans. Pier 36 was one of the piers designated for removal. At the time the BCDC Plan amendments were adopted, a review of the historic resources did not identify Pier 36 as a significant

historic resource. However, URS, in its extensive research, came to a different conclusion about the significance of Pier 36. While not as pretty as the other piers, Pier 36 had unique features that warranted Mr. Corbett's finding that it should be included within the historic district despite the fact that the Port had already approved the Bryant Street Wharf project with the inclusion of creating the public park in the South Beach area. Pier 36 is one of three of the oldest pier sheds along with Pier 38 and Pier 40. Pier 36 was also unique in its function in that it was a rail ferry pier so it was outfitted accordingly, different from the standard cargo warehouse prototype for the piers at the time. The extra wide apron on the south side of the pier was another distinctive features that set Pier 36 apart. The 1930s labor strike took place in the South Beach area. Despite the fact that Pier 36 is in a deteriorated state, Mr. Corbett's analysis concluded that there was enough that was left intact that warranted recognition in the historic district. It does not, however, preclude the Port or the community from moving forward with the Brannan Street Wharf project. However, it requires the Port to prepare more environmental review, a supplemental EIR to acknowledge the historic status of the pier. The historic district nomination or the adoption of the historic district by itself does not trigger the additional environmental review. The environmental review is triggered by the fact that there has been a larger recognition even if nothing is done with the historic district. It has been the Port's goal, since the WLUP was adopted, to save as many of the piers as possible and incorporate them into the historic rehabilitation projects. Staff has found, through the Ferry Building Project, Pier 1, Pier 1.5, 3 & 5, that the historic restoration of these structures is key to freeing up funds that make these projects feasible. The projects benefited from the Federal Historic Tax Credit Act. Up to 20% of the construction costs (soft and hard costs) can be credited through this program. Staff also found that even if it is a tax credit project, significant alterations can be made to the resources and still qualify for the national register criteria. For those reasons, staff has concluded that it is an important element for waterfront revitalization.

In terms of the impact of the historic district to the Port's ability to repair facilities, Dan Hodapp and Mark Paez of the Planning and Development division have been reviewing building permit applications to ensure they are consistent with the Secretary of Interior's Standards. This has been an effective process for enabling the tenants to still make the improvements they need for their facilities. With respect to the repair and maintenance and occasional replacement of piles and decking, substructure and historic elements of the pier and waterfront features, it has been and will continue to be an ongoing process. From that perspective that process would continue pretty much the same with the historic district in place.

The picture that Ms. Oshima shared with the Commission shows just how far the waterfront has come in a very short time in terms of the public improvement that has made the waterfront a very popular place to be. The waterfront, even before our time, was a place for evolution and will continue to be as we transition from its historic maritime shipping and ship repair and the industrial maritime uses that fostered its origins to one of public recreation and commercial uses. Those changes are possible. It can be done in a way that maintains the urban form and the essential character of the waterfront.
Ernestine Weiss, Golden Gateway Center, heartily approves the historic district preservation. She qualifies herself as a big preservationist having done the open space across the street and preserved the land under the freeway and was active in all the

waterfront developments. The Port (present and former staff) and everyone who worked on the piers have done a great job. The Port has accomplished a lot. She urged the Commission to move forward with the nomination.

Michael Sweet, Rincon Point South Beach CAC Vice Chair and member of the Brannan Street Wharf CAC, indicated that as a resident of South Beach since 1997 and an active member of the community, was pleased to see this process moving forward but was particularly concerned with the inclusion of Pier 36 as part of the nomination. Pier 36 is quickly crumbling into the water. While it has certain aspects that are of historical interest, it is not a contributing factor to the community, the way the open space is. The open space was promised to the community as part of the discussions for the cruise terminal project to move forward. The developer of the cruise terminal got behind it to help bring to the community more open space. It is important that the City continue with that commitment. The community should not have to wait until the cruise terminal gets underway before the Brannan Street Wharf is built. He encouraged the Commission to ensure that the designation does not inhibit the ability to move the Brannan Street Wharf forward as has been promised to the community which they have been looking forward to in the last five years.

Redmond Kernan, member of the Rincon Point South Beach CAC and Brannan Street Wharf CAC, complimented staff for the historic district planning that has taken place. He told the Commission to not only preserve but also to interpret the structures. It's a wonderful, historical report but how do you get the message out. What museum, what displays will be interpreted. There will be miles of walkway going down some of the piers. He told the Commission to think of how to enliven that with the history represented by the waterfront and come up with an interpretive plan. The Rincon Point South Beach CAC became aware of this matter two months ago. He asked the Commission to not include Pier 36 in the historic designation. The Port has already decided that it will be torn down. The Port decided when it agreed with BCDC, when the cruise terminal project was being negotiated. That decision has been made. The purpose of the historic district is generally to preserve the history and the structures. Staff is suggesting doing an environmental impact report. The purpose of the EIR is to inform the Port of the environmental consequences of a decision before a decision is made; that decision has made. To include it allows others to believe that the decision is not made and it is still an open question. He thinks it is mischievous and unfortunate for the environmental process as well as the historic designation process. Therefore, he requested the Commission to look at the situation very carefully before taking an action at how best to deal with this conundrum. He urged the Commission to preserve the history, interpret it, make sure it is recorded, make sure people understand what the purpose of the pier was, etc. and include it in the Brannan Street Wharf when it is built. He asked the Commission to find a way that is less costly and time consuming.

Marilyn Smith, Rincon Point South Beach CAC, agreed with Mr. Sweet and Mr. Redmond. She read a letter from Jeffrey Leibovitz, who is also a member of the Brannan Street Wharf CAC and Rincon Point South Beach CAC. It states, "I am aware that your staff has prepared a resolution to try and mitigate the impacts of the inclusion of Pier 36 and the marginal Wharf along Pier 30/32 into the Historic District nomination. I am afraid that this

resolution may not go far enough to stop any delays from impacting the construction of the Brannan Street Wharf. The 57,000 s.f. public open space and park was agreed to with BCDC, the City and the South Beach community in the entitlements for the construction of the Pier 30/32 cruise terminal. As you are probably aware, Pier 36 is a crumbling and decaying pier that is a blight in the revived South Beach neighborhood. The marginal wharf in front of the pier is in such poor condition that it has recently been condemned and the eastern part has already fallen into the bay. The Brannan Street Wharf will replace this blight and is strongly supported by the South Beach community. I am concerned that inclusion of Pier 36 into the district could unravel all the hard work that has gone into the design and approval of the Wharf or at least delay the commencement of construction of this needed open space. Mitigation for Pier 36 has already been agreed to in the FEIR that covered the construction of the Cruise Terminal and the Brannan Street Wharf. The removal of Pier 36 has already been agreed to with the City and BCDC. Why do we have to waste money with another SEIR. Money that could be better spent on public improvements at the Brannan Street Wharf. Why do you want to add another layer and possible delay to a project that this City and this community desperately need. If you can remove Pier 36 and the marginal Wharf from inclusion in the Historic District nomination, I strongly urge you to do so. Quite frankly, this city is getting a national reputation, as one that says a deal is not a deal even when it's a done deal. Please keep in mind that this is a public/private partnership. Please do not facilitate any unnecessary delays in the construction of the Brannan Street Wharf." Ms. Smith urged the Commission to reconsider and take Pier 36 out of the historic district such as 9A was removed from the historic district and save $150,000 that the Port does not have.

Robert Hertzfeld, managing representative for S.F. Cruise Terminal LLC, opposed the inclusion of Pier 36 in the historic designation. He asked the Commission to think about the message they would be sending by including Pier 36 in the historic district. A lot of the people in the community, Port Commission staff level, present and previous Commissioners, members of BCDC, Planning Commission, Board of Supervisors, and State Lands Commission went into a concerted effort and including State legislature that provided specific legislation to get the cruise ship terminal approved along with the Brannan Street Wharf. One of the commitments that was made and a requirement that was made as part of the negotiation of all the teams working together was how important the Brannan Street Wharf was for the community. The agreement was to accelerate the building of the Brannan Street Wharf. The commitments that were made in the Port's agreement with BCDC that as soon as the funds are available, which are scheduled to be in the fall of 2005, the construction of the Brannan Street wharf should be done even ahead of the agreement that the park has to be built contemporaneously with the opening of the cruise ship terminal. He urged the Commission to consider the message they would be sending to not only the development community and the people they will be working with but more importantly the community that spent so much time working with the Port as they expect the park to start construction as soon as the funds are available next year. He was concerned that opening up the process could delay those commitments.

Charles Chase, Executive Director of San Francisco Architectural Heritage and member of the advisory committee for the historic district nomination, indicated that the National Register Nomination before the Commission is a most accurate and comprehensive

document which deserves Commission's approval. He believes that nominations such as this does have intricacies as expressed by the proponents of eliminating Pier 36. However, he does not believe that it is appropriate for the National Register Nomination to summarily exclude a resource of this magnitude. Part of the understanding around a nomination is also the explication of all of the resources within the environment or the area in which they are looking at and to exclude Pier 36 would be inappropriate and does not do the Port's history justice. He believes that the nomination, as it moves forward through the process, will make hold the agreements that were reached in February and July 2000 with the special area and Waterfront Land Use Plan coming to fruition. It was not just the historic preservation community that participated in this but also the waterfront advocates. There were interested developers in the waterfront that participated in the process, neighborhood organizations and ordinary citizens who wanted to see this plan put into effect. He thinks that the mandate for the national register nomination was a very viable entity within that plan that would resolve many of the conflicts that Ms. Oshima indicated between BCDC and the Port's proposed activities. He believes that there is substantial economic benefit to be proffered to the development community and to the Port as a result of the nomination and the tax credits. He believes that while some may see this as a detriment to the development, they see it as a positive step in creating and putting out the information that would require individual developers to find a very costly expense. This has been done by the Port not only for individual development but also for the recognition of the community and its respect for the historic resources. Mr. Corbett has done an excellent job and he stands behind what he has provided to the Port. The Planning staff, Diane Oshima and Mark Paez, have done an extraordinary job in coordinating this for the Port. On behalf of the 1500 members of the SF Architectural Heritage, he urged the Commission for their approval and to direct staff to forward the nomination to the State Historic Preservation Office.

Vedica Puri, Telegraph Hill Dwellers, indicated that normally the Port hears from THD to say hang on, there's not enough community development, the developer is a little bit arrogant, let's take a step back. This time, they are absolutely in concurrence with the work that was performed by staff. They think it's absolutely excellent. She urged the Commission to move forward with the nomination. This is the first she's heard about the Pier 36 dispute. She deferred to the citizen group and the Port. She assumes that their issues are being worked out and concerns are being addressed. They don't want to see a delay on the wharf side and they don't want to see a delay with the nomination. The THD views this nomination as leverage. The Port is often stuck between a rock and a hard place and negotiating between residents who don't want complete and total development and developers and needing to get the piers fixed. The historic designation would give the Port some leverage in its negotiations and they're in support of it.

John Sanger, Sanger & Olson, representing Pier 39 and Blue & Gold Fleet, indicated that a letter was sent to the Commission in May when they first heard about the proposed historic district proposal to include Pier 39 and Pier 41 in the historic district. That was the first time that Port staff informed them that those piers would be included. While Pier 39 and Blue & Gold have no benefits to be obtained from the nomination only liability, he was not contesting the idea of forming a historic district or celebrating the waterfront history. It is magnificent and there are great many historical resources. Everyone would acknowledge

that Pier 39 as it currently exists and Pier 41 where Blue & Gold has its headquarters and remains one of the Port's most important maritime tenants are not historical resources. The proposal to include them within the district drives, in their opinion, from an ideological commitment to create a linkage throughout the waterfront even where none remains apparent to the general public or apparent to anyone. There has been vast transformations in the northern waterfront between Piers 35 to Pier 43 ½ and to Pier 45. They don't believe that these justify inclusion. He complimented staff ever since this came to their attention. They have been working hard to convince them that there really is no problem and there will be no problem. He's afraid they haven't succeeded and they will work with them to come up with solutions that would not exacerbate the conflict. Frankly, it boils down to two issues: (1) the degree to which one can find historical integrity in this area in terms of the resources to be conserved. He pointed out the history of historiography is one simply of controversy over interpretations of history and the significance of events, the significance of people, of circumstances. No one historian in any field has ever been the final judge of those decisions much less in the more recent field of historic preservation and nomination of historic district. It is by no means a cut and dry matter when you balance policy issues, practical issues and issues of preservation. How you finally demarcate a historic district or designate contributing and non-contributing resources. They think that the Commission as a public body with the staff's assistance, needs to make those judgments in that context. (2) they cannot help but ask on behalf of their clients what the implications are of the district in terms of those obligations that the tenants already face under their long-term leases for the maintenance of resources that they control and for the improvement of the property since they are the combined single largest revenue source to the Port that currently exist. While they are exploring with staff, they are by no means convinced that the impact will be anything but negative both in terms of process, in terms of required approvals, in terms of costs, in terms of obstructions to the development which are already highly regulated and successfully so by the Port, BCDC and the Planning Department.

Joe La Clair, Senior Planner with BCDC, spoke in support of the historic district nomination as proposed by staff. The Port Commission and BCDC agreed that completing this nomination was a vital component of the revitalization of the San Francisco waterfront between Pier 35 and China Basin. This nomination represents the commitment from both Commissions to protect the unique and precious waterfront historical resources while allowing for the redevelopment and repair of piers so that San Franciscans and visitors can once again be reconnected with the waterfront. BCDC supports this nomination because the historic district will both protect the historic resources and allow for implementation of the public benefits called for in the Port's and BCDC's plans. The historic district will not jeopardize the shared goals to remove Pier 36 and create the Brannan Street Wharf nor will it frustrate policies that call for removing a portion of Pier 23 shed to open up views to the bay. This public benefit represents a balance and the need to enjoy those things built by humans with those shaped by nature, in this case the beautiful San Francisco Bay. When the planing process commenced for the S.F. waterfront, the Port, BCDC and the City all had policies on the book that called for the removal of bulkhead connector buildings to open up views to the bay. That was their starting point. Early in the planning process, they discussed removing other piers such as Pier 33 which will now be protected under the district. It was these early proposals that mobilized the historic community to participate in the planning process and educate them about the historic values of the piers and strongly

encouraged them to develop policies to preserve them. Out of these discussions, two big ideas were born; first was the need for the national register district to protect those resources. Second was the bayside history walk. Without the leadership of the historical preservation community, this would not have been possible nor would have completed the planning process that led to the historic agreements and plan amendments. Gigi Platt, Aaron Peskin, Charles Chase, Nancy Shanihan, Stewart Morton and others attended countless meetings to advocate on behalf of protecting the important resources. It was their tireless commitment to educate them that brought them to this place. Many other historians have participated in developing this nomination. Of course, Mr. Corbett. For their volunteer efforts, they are grateful. The BCDC Commission continually extended the date for the completion of the nomination because it appreciated the complexity of the issues that the historical community was grappling with and understood that the time was needed to prepare an unassailable nomination that they could rely on for many years as they revitalize the historic waterfront. He hoped that in two weeks, the Commission endorses this nomination and forwards it to the State Historic Preservation Office for its review. Members of the community and the Port leaseholders expressed legitimate concerns about the treatment of the bulkhead wharf and of Pier 36 as contributing resources. They are available to assist in any way they can to resolve the issues so that the nomination is completed and can move forward with the community consensus. They believe that staff's approach to reviewing modifications to the bulkhead wharf structures on its face has merit and additional refinements over the coming days can address the community's legitimate concerns. It is important to remember that in addition to the guidance provided by these guidelines and the Secretary Standards, BCDC's and the Port's Design Review Board will review and comment on any proposals that will come forward within the district. On behalf of the BCDC Commission, he commended Port staff particularly Mark Paez and Diane Oshima who worked tirelessly to bring this nomination forward. Mark's perseverance and gentle way has helped calm occasional stormy waters and keep things moving. Diane demonstrated incredible patience and leadership to work through the difficult issues and steadfastly ferreting out facts so that everybody can make informed decisions rather than opinion based.

Rick Dickerson, Rincon Point South Beach CAC Chair, indicated that the previous speakers stated the committee's stance on this matter. They believe in the preservation of the waterfront as all San Franciscans do. He commended staff for working so hard on the plan. Their concerns centers around Pier 36 and how they can continue to have an assimilation into the neighborhood and the community of the Port projects that have been approved, have been decided on and have been committed to by the community and the Port Commission. A great deal of time and effort was spent on the cruise terminal project on trying to decide how that size of a project could come and assimilate into their area, and provide a good resource for the City. A large part of that project, from the community's standpoint, was getting the Brannan Street Wharf adding to the open space in their area to offset the bulk that was going to be built. That project already begun; it has already broken ground in the seawall lot. They have great concern that there will be delays on the Brannan Street Wharf project going forward if Pier 36 is included in the historic district nomination. If there are further mitigations that they can put into the Brannan Street Wharf with regards to telling the story of Pier 36 and its involvement in the history of the Port, they would like Port staff and the historical experts tell them what they could do. If they are going to move

forward with the SEIR, they will ask the Port to tell them where the funds will come from and to allocate funds for it so there be will no further delay in the Brannan Street project. He encouraged the Commission to make sure that it is done in a timely fashion.

Alec Bash indicated that he is a member of the Northeast Waterfront Advisory Group, and a City planner for 30 years including 5 years at the Port. He also worked on the historic district project. He was also the City's environmental review officer responsible for environmental review, historic preservation and analysis on the State and Federal laws. Some of the comments expressed today relate to that and people's concerns that Pier 36 would somehow remain at the historic district for it to go forward or it would be harder to remove it if it were to go forward. He thinks that with the expert analysis that has been developed to date – in fact, whether Pier 36 is included or not has very little difference, if any, in the review process. It would be a matter of terminology only. There would have to be adequate EIR to go forward regardless because it is clearly a potentially eligible historic resource based upon the expert analysis and to exclude it from the historic district will not change that fact. It could very well be helpful for the Port Commission and staff to develop that would clearly indicate that there is no intention of preserving the building although it may be included for purposes of the history of the waterfront and the historic district nomination. Staff in proceeding has done the correct thing in going forward with the recommendations and accepting the understanding that this is potentially eligible resource and one cannot take that back. This historic district is going to be a tremendous asset for the Port and the City. Tourism is sweeping the country. We have some authenticity that we associate with San Francisco that people seek as they come here. To give recognition to this most intact collection of historic waterfront buildings in the country is something that will only help us. It will give extra pride to the people living in the community. It will attract people from throughout the State, the country, and internationally who will know that this is indeed a very significant resource to come to particularly with its association of not only historic buildings but some of the most progressive moments of the country's labor history. This is something that everyone who has participated in whatever form will feel good about having it move forward. He commended staff for all their work and the Commission for bringing it to this point.

Joe Boss, Dogpatch Neighborhood, urged the Commission to move this nomination forward. He hears the concerns of the community regarding Pier 36. He has been through a few historical EIR issues. There is no intention to preserve Pier 36. It is very important to document it properly. It protects the entire integrity of the historic district. He does not think it will cost a few more dollars. He does not think that it's so monumental as to cause concern. As to Mr. Sanger's concerns for Pier 39 and Pier 41, he hit the nail in the head when he said that staff and the people working on this was trying to make sure that there was complete thread going from one end of the district to another. That detail can be worked out in such a way to protect the tenants and the Port in moving forward. That may take a few conversations but it's doable. To him, the most exciting thing is that all the lessons you've learned from this process would make it very easy to do the central waterfront historic district and he looks forward to the commencement of that project. Bridget Malley, member of the Landmarks & Preservation Advisory Board and member of the community participation group that reviewed the National Register Nomination, supports the historic district nomination. It has been an incredibly lengthy process for

everyone. She's excited that it's finally before the Commission. She encouraged the Commission to approve it. As Diane Oshima pointed out in the staff report resources that are included in the district will not necessarily be precluded from potential development. There is a process that would need to be followed. We now know more about the waterfront than we ever have. It's a very exciting time for projects as they evolve in the waterfront. Just to exclude resources from the national register district because there's a project for development that relates to them would be very unfortunate and would cut a very unfortunate precedent in the City for other historic districts. The National Register Historic District nomination is a model and she encouraged the Commission to move forward.

Jennifer Clary, San Francisco Tomorrow President, indicated that she understands the delay argument because according to the BCDC Special Area Plan agreement this should have been done two years ago. She totally understands their frustration with the delay. She also understands the Port's problem because at Wharf J-10, people are saying, don't tear it down, do an EIR. At Pier 36, don't do an EIR, tear it down. Which way are they to turn? Commissioner Bierman spent years on the Waterfront Land Use Plan advisory committee so she knows the long and dragged out process that was with people getting upset with a lot of different things. After that, they had an EIR in the WLUP and spent another 5 years in a long, dragged out process with BCDC, the Port, Save the Bay, the Telegraph Hill Dwellers and the historic resources members. Board members like Jane Morrison thinks the only good pier is one that has been torn down and cleared the water. Other board members don't want to see any historic resources torn down. She understands that the Port is stuck between a rock and a hard place but the end is near. Because once the Commission approves this historic district, it will be taken out of their hands. She urged the Commission to approve it. Things can be done with Pier 36. She asked staff to talk to the Pier 36 people and get an idea on whatever environmental review needs to be done, how long it will take, inform the community what has to happen and do it. Once you let the genie out of the bottle, you can't just exclude it.

Stewart Morton, Northeast Waterfront Advisory Group, indicated that he has been working with the Port for a long time, way back in the Agnos administration as the transportation chairman of the citizens advisory committee. He has been on various technical advisory committees, citizens advisory committee. Currently, he is on the Northeast Waterfront Citizens Advisory Committee. He was one of the founding directors of Heritage in 1971 and spent 25 years on that board. He sat on the Landmarks Board under Moscone's, Feinstein's and Jordan's administration. This is a moment of great excitement. They have been at this for a long time. Now is a very good time for refining. This is an incredibly wonderful piece of action that would absolutely glorify and bring to everybody's attention this great part of the City. It's been sitting there for years and years and no one paid attention to it. This is no longer the case. This recognition is absolutely necessary. The report is well done. Michael Corbett has created a best seller. Staff has been absolutely incredible. He asked the Commission to push this nomination forward.

Tim Kelley, as a San Franciscan, commended everybody's effort on this nomination. It's a wonderful project and wonderful idea that should be moved forward. As a retired maritime worker and speaking for a coalition of labor historians and labor activist, including the

support of S.F. Labor Council and the Building Trades Council, they feel that the unique relationship of this particular district to labor history is so powerful that although the present nomination is a commendable start, there is still work to be done. That work need not hold up the approval of this nomination. He thanked Commissioner Hardeman for recently facilitating some discussions between them and staff. He has every confidence that they will work out what needs to be done in that regard. As a historic resources consultant, he echoed Alec Bash's comments particularly about the inclusion or exclusion of Pier 36 in the district. Pier 36 is the 500-foot elephant in the living room. You can ignore it but it's not going to go away. It's still a historic resource. To try to exclude it from the nomination at this stage essentially will introduce instability into the development process. It's going to be subject to challenge. The most sensible way to handle it is to acknowledge it in this nomination and to proceed as necessary to document it and do what you need to do. He asked the Commission to move the nomination forward.

Gigi Platt, historic preservation consultant and member of the historic preservation community advisory group, supports the nomination as written. She requested that the Commission not try to take things in or out. She has seen some language that staff is proposing to resolve some of the issues that has come up with respect to Pier 36 and Mr. Sanger's clients. She was somewhat troubled that this has to come to the Commission because she thought there had been sufficient amount of discussions to resolve the issues by now. They are very resolvable. If you try to remove things from the district, you are going to set up a conflict within the State Office of Historic Preservation and you may also put the preservation community in a position of not all of these going forward together. Mr. Corbett is the best there is. This is a wonderful reading material. She urged the Commission to move it forward.

Commissioner Bierman indicated that this is very exciting and appreciated all the work that has been done. She acknowledged Diane Oshima and all the people who worked on this. It's very exciting to be dealing with something that people are going to be able to read and learn from and understand about the Port. She has been reminded of two things. When she first moved to San Francisco, the closest she's ever been to water were some lakes in Nebraska. Her uncle was the chief engineer for the Matson Company and she came down to the waterfront. His uncle was a big time storyteller about his travels with the Matson Line. She used to love the stories about it. The second connection was Harry Bridges, the head of the longshore union, who lived two doors from her house. Listening to him over time was fascinating. It was an experience to learn from all of them about what this waterfront is all about. She thanked everyone especially Diane Oshima for her efforts on this project.

Commissioner Lazarus indicated that there seems to be two issues that are not resolved. There were some hints by various speakers that there are efforts underway to resolve those. She thought that there must be some precedence elsewhere with districts and nominations that would suggest how to get around some of these. She asked for more clarification.

Diane Oshima indicated she does not have a good answer for Pier 36. They have been in fairly extensive discussions with Lend Lease and the South Beach community. The issues that had been raised about the way the nomination report is currently drafted is such that

from an environmental review perspective, the issues are very real in terms of what basis there would be for not doing an EIR based on the available information. If there were to be some kind of change, staff would have to reconsider. The notion of doing mitigation for the loss of Pier 36 is something that from a CEQA practice point of view has not generally been recognized to fully offset the impact of losing the resources even with interpretive exhibits. There's still some room for having some dialog as to how to facilitate that to the extent that this process needs to go forward with environmental review and make sure there aren't snags along the way. With respect to the Pier 39 bulkhead, staff has been trying to address the issue that there's been a lot of change in that bulkhead wharf. Pier 39 proper as it exists now or the Pier 41 public access walkway are not included within the district i.e. the bulkhead wharf section which has been completely relandscaped and some of the buildings, the Aquarium, the Hard Rock Café, the Blue & Gold ticket center extend and overlap onto the bulkhead wharf.

Mark Paez, Planning & Development, showed the Commission a graphic showing the three sections of the bulkhead wharf in the Pier 39 and Pier 41 area that Mr. Sanger was referring to for discussion of what could take place in those areas if they were to be included in the historic district and any of the areas in the bulkhead wharf in the district. Staff has developed a preliminary draft document laying out the parameters for applying the Secretary of the Interior Standards to embrace the repair, alteration and replacements that the Port needs to do in order to maintain the facilities. The focus was primarily on the substructure because that was the nature of the issue they were dealing with Pier 39. It applies to above deck features as well. The draft document mentioned by the speakers was shared with both Pier 39 and the preservation advisory group. Unfortunately, there was not enough time to turn it around, meet, and reach consensus before today's hearing. Staff expects to accomplish this by September 28. The basic premise of the document was to define ordinary maintenance and repair to the bulkhead wharf and to the substructure. They tried to determine the normal activities that the Port carries out to these structures that could be continued without the historic district nomination being a barrier. The activities that were defined in the document that would continue and be found to be consistent with the Secretary's Standards would be cleaning, shotcrete application to substructure, removing spalling concrete, deck repair or replacement, using various materials, wood or concrete with surface materials of asphalt or concrete. It would also embrace seismic retrofit. There are a number of schemes in the new development projects that are sort of cutting edge: seismic isolation, seismic joints in order to allow the different elements of the piers and the bulkhead wharf to move in seismic events. Category one includes repair of the bulkhead wharf in the event of disaster including damage by fire and it would apply throughout the entire district. Category 2 would be the alterations to sections of bulkhead work that are contributing resources. In this category, if the work is not ordinary maintenance and repair, it will be reviewed according to the Secretary of the Interior Standards, e.g. a proposal to cut away a section of bulkhead wharf to bring the water close to the Embarcadero promenade. The third category, non-contributing resources, are those structures that fall within the historic district boundaries, but do not date from the historic period nor otherwise convey the historic district's significant character e.g. Section B adjacent to Pier 45. It is deemed a non-contributing resource because most of it has been replaced. It is not a true bulkhead wharf because it does not follow the original design concept. However, it has a value to the overall district. In those areas, there would be more

allowances for change to occur. They were concerned with preserving the value that the segment of the bulkhead has with the overall district. There is less focus on the actual material or the design because many of those elements do not exist. With regard to the Pier 39 issues, there are ordinary maintenance and repair that would allow them to continue to meet their lease responsibilities. There are unique categories such as the buildings at Pier 39, Aquarium Bay structures that are part of the pier but they are still over on the bulkhead wharf. Over time those structures will need to evolve and change to meet new needs. The diagram he shared to the Commission shows the cross-hatching of an area where the pier aligns with the bulkhead wharf. Included in the policy is a flexible zone on the bulkhead wharf within which they could expand and modify the structures to meet new needs and accommodate new uses and still not harm the value that the bulkhead wharf contributes to the overall district. Staff still needs to discuss this matter further with Pier 39 and the preservation community. They are trying to illustrate the concept that there is a non-contributing building such as Pier 39 or the Aquarium of the Bay that can change and still be located on top of the historic feature.

In the event they can't resolve the issues, they have the ability to bring in an outside party, a historic preservation consultant, to give them another opinion to include in their consideration about whether or not the changes proposed meet the Secretary's Standards and alternatives that might make the project more sensitive. They are hoping that through the participation of Pier 39, the stakeholders and the preservation community, they can refine it to a point where it is workable and easier to understand.

Commissioner Lazarus asked about the reference to the potential additional EIR for Pier 36. Ms. Oshima replied that the research and the recommendations that Mr. Corbett included in the nomination, as currently drafted, would generally be seen as something that would trigger the need for the Supplemental EIR analysis whether or not the historic district nomination went forward. To the extent that there is a judgement call and a policy discussion, that would be the gray zone that would have an impact on the analysis. If Mr. Corbett were to conclude that it wasn't potentially significant for the national register, we wouldn't be in this situation.

Commissioner Hsu indicated that the SEIR would be necessary because the previous recommendation did not include Pier 36. Ms. Oshima concurred and added that the previous EIR was prepared at the time before Mr. Corbett's nomination recommendation came forward. There are CEQA provisions that are protective of historic resources, that's why the threshold was set.

Commissioner Hsu asked Ms. Oshima if it would be realistic to bring this back to the Commission for approval in two weeks when there are several issues that need to be worked out. Ms. Oshima replied that was the original plan and it is ambitious. Staff will strive to come up with a consensus driven set of compromises that would bring everybody to support the nomination. Staff was not able to bring today a resolution for the Pier 39 issue. Since the Pier 36 issue emerged within the last day or two, staff had not had a chance to spend much time on it.

Commissioner Hsu indicated that his personal experience was that the issue emerged six

months ago when he was contacted by the developers/tenants. Ms. Oshima replied that it did emerge about six months ago and staff started discussing the implications at the three or four meetings with the South Beach CAC, a number of meetings with Lend Lease, and with the attorneys. She had been under the impression that there was an acceptance of the notion of moving forward with the SEIR. She understands the concerns expressed by the speakers today.

Commissioner Hsu asked if she still thinks that two weeks time is enough to resolve those issues. Ms. Oshima replied that it is ambitious and if not, staff can provide a status report at that time.

Commissioner Hsu indicated that it sounds unrealistic to him. Commissioner Bierman commented that it will keep things moving and the item can always be delayed or deferred. Ms. Oshima indicated that staff does not really have enough understanding as to how far apart we are. Commissioner Hsu commented that it is clear to him that they are world's apart – preserving Pier 36 or tearing it down. It may be a small compromise in the plan as a whole but to the stakeholders of Pier 39 and Pier 36, it's world's apart. The Port cannot just let them suffer the consequences. Ms. Oshima replied that was not staff's goal. Staff will spend as much energy to the issues and to come to an understanding and report back to the Commission.

To clarify Commission's direction to staff, Executive Director Moyer asked if staff should continue to work on a compromise that would include both the piers into the historic district nomination or otherwise. Commissioner Hsu recommended staff to continue to negotiate and communicate with the developer at Pier 36 and the tenant at Pier 39 and work something out and give them a comfort level that will not impact their projects negatively.

Ms. Moyer reiterated that the Commission likes the direction that Mr. Paez was going in where certain of the tasks that were itemized could be handled without violating anything with respect to SHPO or other guidelines. Commissioner Hsu indicated that he was not optimistic that could be achieved in two weeks.

Ms. Moyer indicated that staff has been working on these issues through the summer. If staff is going to attempt to achieve anything in a reasonable amount of time, it's imperative for staff to get direction from the Commission of what they want to see happen before this item is brought back to the Commission. This item was first scheduled for a hearing in front of the Commission on May 25 when she joined the Port. It was postponed due to a budget crisis and was later postponed at the request of Pier 39. If staff is unable to reach consensus by September 28, Ms. Moyer asked what it is the Commission would like staff to do. Commissioner Hsu replied that he would like a status report on September 28.

Commissioner Bierman commented that maybe it will all work out. Commissioner Hsu stated that perhaps it would all work out but he hates to ignore the tenants and say we're going to do it without their blessing and they have to take the consequences. He does not think it would be fair to the tenants and the developer of the cruise terminal after they worked so diligently to achieve the approval of the Port Commission, the BCDC, the Board

of Supervisors and the Planning Department. It is not fair to just tell them the deal is over because we changed our minds. It may impact the project and the neighborhood in a negative way.

Ms. Moyer indicated that these conversations have been ensuing for three months on the one hand and 6 months on the other. The Commission today have heard both sides of the policy issue and she's not optimistic that is something that staff can resolve on its own. She shares his sense of difficulty in having something resolved by the 28th.

Noreen Ambrose, City Attorney's office, indicated that she heard in the testimony pieces of the whole story but she does not think she heard with respect to Pier 36 any one person articulate to the Commission what the rules are that are in play. She's a little reluctant to provide legal advice openly so she's going to do it with some caution with the understanding that she can provide the Commission with more pros and cons and background. The one point that was made is that the Port has already decided that the pier would be demolished. As a contractual matter, the Port has an agreement with both BCDC and the Special Area Plan and Lend Lease that Pier 36 would be removed and replaced with the Brannan Street Wharf. The inclusion of Pier 36 in the historic district is a separate matter. As Ms. Oshima pointed out, the EIR that was done on the Brannan Street Wharf did not recognize that as a contributor to the district because at the time the EIR was done, the district nomination was not complete and that information was not available. Staff relied on that EIR and made those decisions with respect to the Special Area Plan and the contract. Those are final decisions. There is no appeal pending on that EIR, the Statutes of Limitation has run out with respect to that. There is a subsequent decision that has to be made by a public body that is discretionary and therefore subject to CEQA, not the Port Commission's decision, it's Bay Conservation and Development Commission's decision with respect to the permit for the removal and replacement of fill for the Brannan Street Wharf. As a solution, staff is working with BCDC to have BCDC, through its alternative to the CEQA equivalent process, do the appropriate analysis of that historic resource as they move forward as what is referred to as a responsible agency under CEQA given the new information that has come about. In the last day or two, staff has just now focused on this as the appropriate solution from a process point of view. She's of the opinion that whether Pier 36 is included or not in the district, it does not change the underlying facts on the ground which is that a preeminent scholar and historic preservation has concluded that it is a significant resource. That is a reality that will exist whether you include it in the district or not. Accordingly, when BCDC makes a decision on the permit they have to comply with the Statutes and understanding that before their Commission makes that decision. Overall, with respect to the goal of the two-week time frame, staff would be able to come back in two weeks and explain how we all have an understanding as to how this is going to move forward. From the community point of view, they might feel that it would be more of an assurance that the Commission is going to stick with the commitment to remove that pier if this is not included in the district. Inclusion in the district does not decide one way or another whether you're going to preserve a resource. There are other dilapidated piers that might not be able to be saved that may also be included. Staff will work hard to come up with a solution that John Sanger, on behalf of his clients, will be comfortable with and will provide the Commission a status report.

6. NEW BUSINESS / AGENDA SETTING

Ms. Moyer indicated that the historic district nomination is scheduled to be in front of the Commission for action. This will determine within the next two weeks. Everything else has been on the list for some time with the exception of the Jeremiah O'Brien lease.

Commissioner Hsu stated that he was under the impression that staff will come back with a status report on the 28th and not with a request for approval. Ms. Moyer reiterated that if staff is able to reach an agreement with the various parties within the next two weeks, the Commission is willing to take it as an action item on the 28th and if not, staff will provide a status report.

Commissioner Hsu indicated that if staff and the developers/tenants at the Pier 30-32 and Pier 39 are able to arrive at a compromise in two weeks, he would recommend hearing a request for approval otherwise a status report will suffice at that time.

Commissioner Lazarus asked if the Commission is required to take an action on an item or one of the possible actions would be to defer the item to a subsequent meeting.

Ms. Moyer replied that when an item is presented to the Commission as an action item, it comes with a resolution specific to that action. The Commission could defer approval and continue it to a subsequent meeting and staff will withdraw the resolution.

Jon Golinger, Citizens to Save the Waterfront, spoke about the Piers 27-31 project that will be brought to the Commission on October 12th. The Commission was made aware that their coalition was disappointed that the developer has not made substantial changes to the proposed development as requested by the group and staff is working over time to work something out. The Commission in the past has set a 5 p.m. time-certain public hearing on this matter. He requested the Commission's indulgence for a time-certain public hearing so that the community can plan in advance to attend and make comments at the meeting.

Commissioner Hardeman requested to adjourn the meeting in a moment of silence in memory of the victims of Hurricane Frances and to our fellow ports in the Caribbean and Florida.

7. PUBLIC COMMENT

Toby Levine, NEWAG Chair, indicated that NEWAG supports the historic district nomination. However, it was obvious that some interesting new wrinkles have occurred. She was impressed with the delicate approach that staff is pursuing to incorporate the organizations that have deep concerns with the historic district. The Commission is very fortunate to have staff that is willing to take the time to delve into and to try to come up with the solution. She was confident that they will work and if they haven't succeeded in developing a compromise or a solution, she was sure that the Commission will be informed. It will ultimately be back to the Commission. NEWAG hopes that the Commission will support the nomination as it will provide enormous benefit for the Port and the City as a whole.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

At 5:20 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT/DISMISSAL/RESIGNATION.

- Consideration and Possible Action on Public Employee's Appointment/ Dismissal/Resignation – Deputy Director of Port.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER (Discussion and/or Action Item)

a. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Defendant)

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR

a. Property: Pier 15 and 17 (at Embarcadero)
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Dr. Goéry Delacôte

b. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

9. RECONVENE IN OPEN SESSION

At 8:05 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn executive session and reconvene in open session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

10. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commissioner Hsu adjourned the meeting at 8:06 p.m.

SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner
Ann Lazarus, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

DOCUMENTS DEPT.

SEP 27 2004

SAN FRANCISCO
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AGENDA

REGULAR MEETING

3:00 P.M., TUESDAY, SEPTEMBER 28, 2004

PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

5
8/04

1. **CALL TO ORDER / ROLL CALL** 09-27-04A09:34 RCVD

2. **APPROVAL OF MINUTES** - September 14, 2004 Meeting

3. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

      (1) PUBLIC EMPLOYEE APPOINTMENT/DISMISSAL/RESIGNATION – This is specifically authorized under California Government Code Section 54957.

      - Consideration and Possible Action on Public Employee's Appointment/ Dismissal/Resignation – Deputy Director of Port.

      (2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
      This session is closed to any non-City/Port representative. *

      a. Property: Piers 27-31
      Person Negotiating: Port: Byron Rhett, Director of Planning & Development
      *Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

b. Property: Pier 15 and 17 (at Embarcadero)
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Dr. Goéry Delacôte

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 15 and 17 (at Embarcadero).

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

5. EXECUTIVE

A. Executive Director's Report

- Status report on the Port of San Francisco Embarcadero National Register Historic District Nomination.

6. CONSENT

A. Request authorization to apply for, accept and expend $450,000 grant funds from the California Cultural and Historical Endowment for the Brannan Street Wharf. (Resolution No. 04-80)

7. PLANNING & DEVELOPMENT

PLEASE NOTE: ITEM 7B WILL BE HEARD AT APPROXIMATELY 5:00 P.M.

A. Request authorization to award a professional services contract for a feasibility study of shoreside power and alternative air emission technologies for cruise ships berthed at the James R. Herman International Cruise Terminal at Piers 30-32. (Resolution No. 04-81)

B. Informational Presentation on an Embarcadero Transportation and Parking Preliminary Study to address current and future parking demand along The Embarcadero, between Pier 35 and China Basin.

8. NEW BUSINESS / AGENDA SETTING

- New Business

- Agenda Setting (Targeted Commission Meeting Date, subject to change)
  - Request authorization to issue a Request for Proposals for Habitat Restoration at Heron's Head Park. (Date to be determined)
  - Policy for Disposal of Surplus Furniture, Fixtures & Equipment (FFE) (October 12, 2004)
  - Request approval of lease with National Liberty Ship Memorial (Jeremiah O'Brien) at Pier 45, Shed C. (October 12, 2004)
  - Public Hearing on Port Commission's endorsement of the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project (located at Embarcadero between Bay & Battery Streets). (October 12, 2004 at 5:30 p.m.)
  - Request approval of Al Scoma Way Seawall Lot repair (October 12, 2004)
  - Request approval of lease amendment with Pacific Marine Dining Yachts located at Pier 9. (October 12, 2004)
  - Request approval of Settlement Agreement with California Foundation on the Economy and the Environment. (October 12, 2004)
  - Request approval of a resolution adopting the proposed Port of San Francisco Embarcadero National Register Historic District, consisting of an approximately three-mile area of the waterfront along the Embarcadero, between Pier 45 in Fisherman's Wharf and Pier 48 at China Basin, including the seawall, historic piers, wharves and structures located on the wharves, and authorizing staff to submit the Historic District nomination report to the State Office of Historic Preservation and National Park Service for listing on the National Register of Historic Places. (October 26, 2004)

9. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

10. ADJOURNMENT

SEPTEMBER/OCTOBER 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
September 28	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
October 12	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
October 26	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Brannan Street Wharf Citizens Advisory Committee meets on an as-needed basis to develop a concept plan for this planned open space in the South Beach area. Meetings are held in the Bayside Conference Room at Pier 1. Contact Dan Hodapp @ 274-0625 or dan_hodapp@sfport.com

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets.
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. & Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall, the San Francisco Public Library or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

September 22, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner
Hon. Ann Lazarus, Commissioner

FROM: Monique Moyer
Executive Director

SUBJECT: Authorization to apply for, accept and expend $450,000 of grant funds from the California Cultural and Historical Endowment for the Brannan Street Wharf.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY FOR, ACCEPT AND EXPEND GRANT FUNDS FROM THE CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT.

Background
The California Cultural and Historical Endowment (CCHE) is the agency charged with disbursing historic resource funds of the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, more commonly known as State Proposition 40. The Port staff believes that the Brannan Street Wharf Project qualifies and will compete well for this source of funding.

Brannan Street Wharf
The Port Commission approved the Brannan Street Wharf concept design on August 26, 2003 and the Bay Conservation and Development Commission (BCDC) approved the concept design on August 7, 2003. Both agencies called for the development of the Brannan Street Wharf (the Wharf) when they reached a historic agreement in July 2000, establishing consistent policies for the San Francisco waterfront in the Port's and BCDC's plans. The Wharf is identified as a major neighborhood and destination open space in the Port's Waterfront Land Use Plan, in BCDC's amended Special Area Plan, and in the San Francisco General Plan -Northeastern Waterfront Area Plan.

This Print Covers Calendar Item No. 6A

Brannan Street Wharf will be a new open space defining the center of the South Beach neighborhood. It will replace Piers 34 and 36 and be 57,000 square feet of new wharf over the water parallel to the Embarcadero Promenade. It is located on The Embarcadero Promenade between Pier 30-32 and Pier 38.

The Brannan Street Wharf was also identified in the State legislation passed in 2001 (AB 1389) regarding development of Pier 30-32 for the Bryant Street Pier cruise terminal project. As per that legislation, funds for the Brannan Street Wharf are required to be fully encumbered prior to a BCDC permit being issued for the cruise terminal project, and the construction of the Wharf must be completed prior to the cruise terminal project becoming operational. Previously, the Port/BCDC agreement anticipated construction of the Wharf to be within 15-20 years from the cruise terminal construction.

The Project will be a new wharf connected to and running parallel to the Embarcadero Promenade beginning at the south edge of Pier 30-32 and extending for about 830-feet through the area of Pier 36. It will have a wedge shape with its narrowest point adding about a 10-foot wharf to the edge of Pier 30-32 and widening to about 140-feet at the south end of Pier 36. The major project components include a 400-foot length lawn area, a waterside walkway with seating, shade-sheltered picnic/game tables, and a small-craft float. The design remembers its San Francisco waterfront history by taking on the shape of Pier 36, and by placing bronze strips in the paving to note the locations of former rail lines.

The Wharf is designed flat with the lawn being in a slightly raised planter, surrounded by an 18-inch height wall. The 900-foot long low wall that also functions as a sitting edge surrounding the lawn is proposed to be developed as a story wall (the Wharf Wall) that depicts San Francisco's Waterfront history. The Wharf Wall would be sculptural and interpretive urban furniture about 18-inches tall and 3-feet wide as it wraps around the lawn area. The Brannan Street Wharf would also feature a series of interpretive exhibits that encourage interaction about Bay currents, tides, wildlife and fisheries, and history, likely to be located on the public float. A $450,000 CCHE grant would fund the Wharf Wall; funding the design and construction of the interpretive exhibit and offsetting the Port's cost in construction of this necessary wall.

Commission Action
Port staff seeks Commission authorization from the Port Commission for the Executive Director to apply for, accept, and expend grant funds from the California Cultural and Historical Endowment for the Brannan Street Wharf.

Prepared by: Dan Hodapp,
Senior Waterfront Planner

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-80

WHEREAS, The people of the State of California have enacted the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, which provides funds to the State of California for the California Cultural and Historical Endowment (CCHE) Grant Program; and

WHEREAS, The Brannan Street Wharf (Project) appears eligible for funding under the CCHE Grant Program; and

WHEREAS, The California Cultural and Historical Endowment has been delegated the responsibility for the administration of the Grant Program, setting up necessary procedures; and

WHEREAS, These procedures require the Grant Applicant to certify by resolution the approval of an application before submission of the application to CCHE; and

WHEREAS, If the Port is awarded a grant, the Port will enter into a Grant Agreement with CCHE for the Project; NOW, THEREFORE, BE IT

RESOLVED, That the San Francisco Port Commission has reviewed and considered the EIR for the Project and incorporates herein the findings made in the EIR as part of its approval of the Brannan Street Wharf project; and be it further

RESOLVED, That this Port Commission:

1) Approves the filing of a CCHE Grant Application for the Brannan Street Wharf project to be funded from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal; Protection Act of 2002 and;
2) Certifies that the Port has committed to complete, operate and maintain the Project; and
3) Appoints the Executive Director of the Port as agent to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, payment requests which may be necessary for the completion of the Project; and therefore be it further

RESOLVED, That the Executive Director is hereby authorized to execute such additional documents or take such additional actions as is necessary to implement the construction and completion of the Project.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 28, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

September 22, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Authorization to award a professional services contract for a feasibility study of shoreside power and alternative air emission technologies for cruise ships berthed at the James R. Herman International Cruise Terminal.

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ENVIRON INTERNATIONAL CORPORTION FOR A FEASIBILITY STUDY OF SHORESIDE POWER AND ALTERNATIVE AIR EMISSION TECHNOLOGIES IN AN AMOUNT NOT-TO-EXCEED $50,000.

Background

The Port of San Francisco is developing the new James R. Herman International Cruise Terminal and Mixed Use Project at Piers 30-32. On March 25, 2003, as part of the Final Supplemental Environmental Impact Report (FSEIR) process, the Port Commission adopted California Environmental Quality Act (CEQA) findings that discuss the significant environmental impacts of the Cruise Terminal and Mixed Use (cruise terminal) project. The findings indicate that proposed mitigation measures reduce some impacts to levels of insignificance and identifies other certain unavoidable significant environmental impacts. The findings included a Statement of Overriding Considerations that specific economic, legal, social, and other benefits outweigh the significant effects on the environment. The CEQA findings also called for implementation of a Mitigation Monitoring and Reporting Program that includes, among other measures, establishment of air and water quality advisory groups to the Port Commission. These advisory groups would review potential additional mitigation measures for the air and water impacts of cruise ship activity at the Port and would provide recommendations to the Port Commission. The Port Commission may then choose to implement those additional mitigation measures deemed feasible. One area of review includes the use of technologies, such as shoreside power, and low sulfur content fuel to potentially reduce air emissions.

This Print Covers Calendar Item No. 7A

On June 11, 2003, the Port Commission adopted a resolution to establish the Cruise Terminal Environmental Advisory Committee (CTEAC). CTEAC meets on a regular basis, having met nine times since September 2003 to review cruise ship impacts to air and water quality and recommend additional feasible measures to the Port Commission to reduce those impacts.

On November 6, 2003, the Bay Conservation and Development Commission (BCDC) approved a resolution pursuant to the Major Permit for the cruise terminal project. Issuance of the permit is conditioned on a number of items, including the following: by April 2005, the project sponsors (the Port and the developer) shall report to BCDC on the recommendations to reduce air emissions made by CTEAC and the Port Commission's determination as to the feasibility of implementing those recommendations. The recommendations should address "at a minimum, the feasibility of using lower emission fuels, cold-ironing (i.e., shoreside power hook-up), the prohibition of onboard incineration, and the identification, reservation, and incorporation of infrastructure within the project site for emerging technology." Other tasks to fulfill conditions of the Major Permit pertaining to cruise terminal operations, include: 1) wastewater discharges; 2) ballast water discharges, 3) berthing agreements and 4) air emissions (in addition to the shoreside feasibility study).

At its April 2004 meeting, the CTEAC approved a recommendation that the Port Commission issue a Request for Proposals (RFP) to review the cost effectiveness of shore-based power versus other means to reduce cruise ship air emissions (e.g., emerging engine technologies and low sulfur content fuel). This study would be conducted by a third-party consultant, its findings reviewed by CTEAC, and a recommendation presented to the Port Commission. To achieve compliance with the BCDC permit requirements, Port staff in collaboration with CTEAC will present this study and its determination of shoreside power and other emission control measures to the Port Commission in early 2005, and BCDC for review no later than April 2005.

San Francisco Cruise Terminal LLC, the cruise terminal developer, provided $50,000 in March 2004 for third party advice and research relating to air and water quality issues as a condition to close escrow for the initial phase of the cruise terminal project (i.e., the residential tower on a portion of SWL 330).

On May 11, 2004, the Port Commission adopted a resolution to authorize issuance of the RFP from consultant teams to conduct a feasibility study. Soon thereafter, Port staff formed a review panel consisting of:

Mary Culnane	-	Water Transit Authority
Ina Shlez	-	SF Department of Environment[1]
Tom Wilson	-	Port of Richmond
Jay Ach	-	Port of San Francisco, Environmental
John Doll	-	Port of San Francisco, Planning & Development

The RFP was issued on May 21, 2004. A pre-proposal conference was held at Port offices on June 3, 2004. On June 31, 2004 staff received four proposals from interested consultants. After a careful evaluation process, the review panel selected two consultants, Environ International

1 Ms. Shlez reviewed and rated the responses to the RFP, but did not participate in the final selection process. She left City employment late August 2004.

Corporation and Dock Watts, LLC for a final interview. The final interviews were scheduled for August 5, 2004, but were delayed by a court injunction on July 26, 2004, regarding the City's M/WBE contracting program. That injunction was later clarified to not apply to contracts that were solicited prior to July 26, 2004, as in the case of this project. Thereafter, final interviews were re-scheduled for September 14, 2004.

The review panel initially scored the consultants based on RFP criteria that included: 1) experience, 2) staff qualifications, 3) technical approach, 4) project management, and 5) cost of services. During the final interviews, the panel scored the consultants based on questions related to their technical knowledge of the source and load of electrical generation needed for shoreside power, specific experience in conducting air quality studies, understanding of marine propulsion systems, assessment of alternatives to shoreside power, funding of shoreside infrastructure and engine retrofits, etc. As a result, the panel determined Environ International Corporation to be the most qualified consultant team with the following scores: Environ International Corporation, 272 points, and Dock Watts, LLC, 258 points.

Environ Team

Port staff has commenced negotiations with Environ International Corporation, as the prime consultant, who has indicated willingness to perform the scope of work described below for a contract fee not to exceed $50,000. The consultant team of four firms assembled by Environ International combines the qualifications of four contractors with expertise in marine engine emissions, vessel design, shoreside power developments, and electrical engineering. The prime consultant, Environ, has performed studies evaluating marine vessel emissions and alternative emission reduction methods as well as air quality studies in the Bay Area. Environ led the effort in evaluating the feasibility, cost and emission potential for shoreside power for the Port of Long Beach. Engineers at Han-Padron Associates have long experience in conducting shoreside marine engineering projects, including those related to shoreside power. They have completed numerous studies such as projects for Navy piers as well as design and construction of piers, dry docks, and other commercial marine facilities. Seaworthy Systems is a marine engineering and naval architectural firm experienced in shipboard emissions reductions, energy conservation, and performance improvement. YEI Engineers specializes to providing electrical and mechanical engineering services for the Navy and the Port of Oakland.

Environ will comply with all the requirements of the Disadvantaged Business Enterprise (DBE) Ordinance under Chapter 14A of the Administrative Code. The DBE subcontracting participation goal for the contract will be 10%. YEI Engineers, a firm certified by the City and County of San Francisco Human Rights Commission as an economically disadvantaged business enterprise, is estimated to provided 11% of the work.

Scope of Work

The Environ team will focus its work on cruise ships and the new terminal at Piers 30-32. The consultant team has identified five primary work tasks and one reporting task for the project. The project will include an analysis of current cruise ship operations and berth facilities to identify and evaluate the feasibility and cost associated with supplying electrical power to cruise ships while they are berthed at Piers 30-32.

Task 1: Project Initiation and Candidate Vessels Selection

The Environ team will review the types of cruise ships that call at the Port. These include on-board electrical systems, generator capacity, and load. Candidate vessels will be selected based upon frequency of their calls and economic feasibility of conversion to shoreside power supply.

Task 2: Cruise Ship Hotelling Power Demand Analysis

The team will evaluate the power capacity to supply vessels at the new terminal that will be crucial to calculate the existing air pollutant emissions and to size the proposed new electrical power distribution equipment to the berths. The consumption of electrical power will be identified and approximate normal, peak, and emergency load factors established as appropriate. The team will use its experience with other ports and cruise lines to verify that such loads identified are typical and reasonable. The team will also assess the accessibility and adequate capacity within the existing grid and the anticipated future net additional capacity to the grid.

Task 3: Hotelling Mode Emissions Analysis

The emission inventory for the fleet of auxiliary engines will be reviewed to identify candidate cruise ships for a shoreside power program. The approach for producing estimates of the primary variables and of the total emission inventory per cruise ship/class can be described as:

Annual Emissions = (Number of calls) x (Hotelling Time per call) x (Load) x (Emission Factor)
Where

Number of calls = Annual call by Vessel
Hotelling time = Time at Berth
Load = Average auxiliary engine load either in kW or in terms of fuel consumption (tons per hour)
Emission Factor = Emission factor in g/kW-hr or kg/ton of fuel consumed

The analysis will allow emissions analysis for hotelling modes as well as emissions generated in transit between the berth to and from San Francisco Buoy located approximately 12.5 miles west of the Golden Gate Bridge. The transit mode analysis will be used to estimate the emission reductions from alternative control options (to shoreside power at berth) that could be applied to emissions generated during transit modes as well as at berth.

Task 4: Conceptual Design and Cost Estimates of Shoreside Power

The team will design a conceptual shoreside power system to ensure adequate power delivery to meet the anticipated demand of cruise ship candidates based on results from Power Demand Analysis (Task 2). Cost estimates will be broken down into three segments: from transmission source to the property line, property line to berth, and berth to vessel. Costs will include one time and annual operating PG&E charges. In addition, the overall costs will dictate the potential funding that may be required to implement such a program, and funding sources will be suggested to offset these implementation costs. The cost analysis will include annual total cost of power, including the cost of shoreside power consumption during the cruise season, fees, surcharges, etc. that will be charged to cruise lines.

Task 5: Cost-Effectiveness, Feasibility of Shoreside Power and Alternative Control Technologies

The team has developed a multi-faceted approach to address the development of a conceptual plan and alternate emissions control strategies for the cruise ships that will berth at Piers 30-32. The team will provide cost estimates for the conceptual design of a shoreside power systems and alternative emission control strategies. The capital and operating costs for the shoreside power infrastructure and shipboard cold ironing systems, as estimated in Task 4, will be used along with the emission reduction estimates to calculate the cost effectiveness in dollars per ton of criteria pollutant emissions, including NOx, Sox, and PM emissions.

Task 6: Report Preparation and Presentation

The team will prepare a draft report within four months of start date, and a final report within one month after receiving comments from the Port and CTEAC. The team will prepare and present the results for the benefit of CTEAC and the Port Commission.

Environ will be responsible to manage the overall project and assume primary leads in Tasks 1, 2, 3, and 5. Environ will utilize Seaworthy's knowledge of technical and emission characteristics of marine vessels, as well as potential cruise ship emission control technologies for these tasks. For Task 3, Environ and Seaworthy will take the lead in the hotelling power demand analysis on the shipside. Han-Padron and YEI Engineers will be responsible to determine accessibility and adequate power on the existing grid for shoreside power systems to meet the estimated power demand. Han-Padron and YEI will also be responsible for Task 4 with Seaworthy providing technical support on shipside specifications and shipboard alterations required for shoreside power to each candidate cruise ship.

This project is estimated to take approximately six months with anticipated start date in early October and a final report to be completed by March 2005.

Status of Compliance to BCDC Conditions

In addition to the BCDC requirement to conduct a shoreside feasibility study, the Port needs to fulfill other obligations under the BCDC Major Permit for the James R. Herman International Cruise Terminal at Piers 30-32. Those requirements that pertain to CTEAC's review of cruise terminal operations include:

1) Berthing Agreement: BCDC requires that prior to entering into the first berthing agreement for the new terminal, the Port and its developer shall submit new language, limited to wastewater and ballast water discharges, to be reviewed and approved by or on behalf of BCDC and provide a mechanism to deny berth access to cruise ships that repeatedly violate the discharge prohibition. The berthing agreement shall prohibit cruise ships from releasing any discharges into the Bay while in transit or at berth, including any treated or untreated solid waste or liquid wastes, treated or untreated oily bilge water, gray water, or sewage, and, in regards to ballast water discharge, requires compliance with State Assembly Bill No. 433 and the National Invasive Species Act, as amended.

Through CTEAC, the Port has already implemented a new berthing agreement for the 2004 cruise season at the existing terminal facilities at Pier 35 that:

a) prohibits cruise ships from releasing into San Francisco Bay incidental or intentional ballast water unless authorized under governing state or federal law.

b) prohibits cruise ships from releasing into San Francisco Bay incidental or intentional discharges of sewage, graywater (i.e., drainage from showers, laundry, etc.), hazardous waste, solid waste, fuel, or oil-related substances. The prohibition applies until such time as new California state and/or federal legislation specifically authorizes any such discharge. Discharges from Type II Marine Sanitation Devices are prohibited in the Bay.

   Pending state legislation would reinforce the prohibition of sewage and graywater discharges into the Bay. The following bills require the Governor's signature: AB 2672 (Simitian) would prohibit the release of sewage from cruise ships into the marine waters of the state until January 2010, and AB 2093 (Nakano) would prohibit the release of graywater from cruise ships into state marine waters.

c) compels cruise lines to complete a Cruise Ship Discharge Report for each vessel call. If no unauthorized discharges occur, the form must be submitted to the Port within 30 days of vessel departure. If unauthorized discharges occur, the form must be submitted to the Port within 24 hours of departure. Noncompliance of more than three times in any 24 month period will result in the cruise line being restricted or prohibited from future berthing rights at the Port.

Since May 2004, the Port has 100% compliance with the environmental provisions of the berthing agreement. Provisions of the berthing agreement will be re-reviewed prior to the 2005 cruise season.

2. Shoreside Feasibility of Wastewater Treatment: BCDC requires a feasibility report regarding shoreside treatment of all wastewater discharges. CTEAC has made no recommendation yet. CTEAC is not aware of any operational cruise ship wastewater treatment facilities in the U.S. Reportedly, such facilities may exist in Europe and, as such, CTEAC may review such information. CTEAC is also reviewing documentation comparing the quality of released wastewater treatment between an on-board advanced wastewater treatment system and using the Southeast Wastewater Treatment Plant in the Bayview area.

3. Cruise Ships Emissions-Air Quality: In addition to the requirement of providing a feasibility report regarding the use of shoreside power, lower emission fuels, etc., BCDC requires addressing the prohibition of on-board incineration. While the CTEAC has not reviewed this issue, pending legislation under AB 471 (Simitian) would prohibit a cruise ship from conducting on-board incineration while operating within three miles of the California coast. In addition, a CTEAC incentives subgroup is discussing an award system that would recognize cruise ships that use cleaner fuels and/or other air emission and water discharge prevention measures.

Recommendation

Port staff recommends that the Port Commission authorize the Executive Director to award a professional services contract to Environ International Corporation for a feasibility study of shoreside power and alternative air emission technologies for cruise ships berthed at the James R. Herman International Cruise Terminal for a fee not to exceed $50,000.

Prepared by: John Doll
Project Manager
Planning & Development Division

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-81

WHEREAS, On March 23, 2003, by Resolution No. 03-27, the Port Commission adopted findings, including a statement of overriding considerations and a mitigation and monitoring program, pursuant to the California Environmental Quality Act (CEQA) and the State CEQA guidelines in connection with the Mixed-use Cruise Terminal Project (also known as the James R. Herman International Cruise Terminal); and,

WHEREAS, On March 23, 2003, by Resolution No. 03-28, the San Francisco Port Commission approved transaction documents to allow the development of a new Mixed-use Cruise Terminal at Piers 30-32; and

WHEREAS, Those documents require cruise lines that will use the new cruise terminal to follow "Best Management" practices for air and water quality endorsed by leading environmental advocacy groups; and

WHEREAS, Those documents also require creation of local air and water quality advisory groups to oversee operating practices at the new cruise terminal facility; and

WHEREAS, On June 12, 2003, by Resolution No. 03-39, the Port Commission approved a San Francisco Cruise Terminal and Environmental Policy and Program which included creation of the Cruise Terminal Environmental Advisory Committee (CTEAC) which serves as an advisory group to the Port Commission; and,

WHEREAS, The CTEAC began meeting in September 2003 and continually meets on an on-going basis to review and recommend to the Port Commission additional feasible air and water quality measures; and,

WHEREAS, On January 22-23, 2004, the CTEAC convened a two day public workshop on cruise ship water and air impacts; and,

WHEREAS, The CTEAC has met nine times to date and has discussed feasible measures to address air quality impacts, including the potential use of technologies, such as shoreside power, and alternative fuels, such as low sulfur content fuel, and reduced ship speeds, if proven effective in reducing nitrogen oxide and PM_{10} emissions; and,

WHEREAS, On November 6, 2003, BCDC approved a resolution that requires the Port to report, by April 2005, to BCDC on the CTEAC recommendations to reduce air emissions and on the Port Commission's determination as to the feasibility of implementing those recommendations; and

WHEREAS, It is appropriate that those recommendations will address the feasibility of using lower emission fuels, shoreside power, the prohibition of onboard incineration, and the identification, reservation, and incorporation of infrastructure within the project site for emerging technology; and

WHEREAS, Within 90 days after submission of the Port report regarding recommendations to reduce air emissions, BCDC will determine which, if any, of the recommendations are feasible, as that term is used in Section 15361 of the State CEQA Guidelines; and,

WHEREAS, If BCDC determines certain recommendations are feasible, the Port and the Cruise Terminal Developer/Operator shall implement such recommendations prior to cruise terminal operations; and,

WHEREAS, The Port and the Cruise Terminal Developer/Operator are required to report annually on the facility operations and its record of compliance with the emission control program that BCDC requires to be implemented; and

WHEREAS, It is appropriate and necessary to conduct a comprehensive feasibility study regarding alternative measures and technologies for the reduction of air emissions for the new cruise terminal and its operations to satisfy BCDC requirements; and

WHEREAS, On May 11, 2004, by Resolution No. 04-40, the Port Commission approved issuance of a Request for Proposals from qualified consultants to conduct a feasibility study of shoreside power and alternative air emission technologies for cruise ships utilizing the James R. Herman Cruise Terminal; and

WHEREAS, On May 21, 2004, the Port issued a Request for Proposals from qualified consultants for a feasibility study of shoreside power and alternative air emission technologies; and

WHEREAS, On June 31, 2004, the Port received four responses to the Request for Proposals, and on September 14, 2004, the Port's review panel determined the proposal of Environ International Corporation to be the most responsive to the Request for Proposals, now therefore be it

RESOLVED, That the Port Commission authorizes the Executive Director to enter into a contract with Environ International Corporation for a feasibility study of shoreside power and alternative air emission technologies for a fee not to exceed $50,000.

I hereby authorize that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of September 28, 2004.

_____

Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

September 22, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner
Hon. Ann Lazarus, Commissioner

FROM: Monique Moyer
Executive Director

SUBJECT: Informational Presentation - Embarcadero Transportation and Parking Preliminary Study for the area between Pier 35 and China Basin

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED

The Port's Planning & Development Division works in coordination with the San Francisco Planning Department on numerous land use, planning policy, and regulatory matters, including transportation and parking issues. As the waterfront has evolved to integrate expanded MUNI service, public access, and new development projects, the Port and San Francisco Planning Department have begun addressing how to manage and plan for the associated transportation and parking needs.

In the Waterfront Land Use Plan and the San Francisco General Plan, the Port and Planning Commissions and Board of Supervisors have adopted policies which include:

1) promoting maritime and mixed use developments (including those which rehabilitate waterfront historic resources) on Port lands along The Embarcadero;
2) creating new public access and open space; and
3) supporting the City's "Transit First" policy, emphasizing public transit and alternative travel modes to reduce private automobile use and associated parking and traffic demands.

Transportation and parking impacts are a consistent community concern as new development projects are proposed, and the waterfront is no exception. As a result, the Port secured funding to hire transportation consultants to work with the Port and Planning Department to take a comprehensive look at existing and projected parking conditions along the waterfront, from Pier 35 to China Basin. The transportation and parking information being developed for the

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Northeast Waterfront, Ferry Building, and South Beach waterfront neighborhoods is similar in scope to that completed earlier this year for Fisherman's Wharf by the Port, BCDC, Department of Parking & Traffic and Planning Department.

Taken together, this information provides the agencies with a comprehensive evaluation of existing and future changes in land use and development patterns, and how the associated changes in the amount and type of parking demand can be managed in a time when use of public transit, walking, biking and other modes are more popular and accepted as a legitimate means of accessing the waterfront. To be sure, there will still be a need to provide parking along the waterfront in sufficient supply to enable Port developments to be economically successful. However, key questions are now being considered including:

1) How much parking should be allowed, and how should it be managed?
2) What types of users of Port property developments should be accommodated?
3) What are the existing and future transit options available as alternatives to driving?

The Embarcadero is designated as one of the City's Major Arterial Streets, as well as a "Transit-Important" route. As such, it serves several different demands, many not related to or controlled by the Port, which are reflected in existing as well as projected future conditions along The Embarcadero.

The transportation study now underway is being prepared by Wilbur Smith and Associates and Nelson Nygard Associates. Funding for the consultants has been provided by Stanford Hospitality and Mills Corporation, although the study is being directed by the Port and Planning Department. The Port is working with the Planning Department staff in the Department's City-wide Planning and Major Environmental Analysis Divisions. Parking demand and related transportation assumptions in this transportation study have been coordinated and are consistent with those used in other Planning Department analyses. **It should be noted, however, that the scope of this study is separate and distinct from transportation impact analyses in Environmental Impact Reports and other environmental analyses prepared pursuant to the California Environmental Quality Act, which are the purview of the Planning Department.**

Port staff and its consultants will present its analysis and review next steps at the September 28, 2004 Commission meeting. This study was presented to the Northeast Waterfront Advisory Group on September 8, 2004 and a short briefing to the Fisherman's Wharf Advisory Committee on September 21, 2004.

Submitted by: Diane Oshima
Asst. Deputy Director, Waterfront Planning

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SEPTEMBER 28, 2004
MINUTES OF THE MEETING

DOCUMENTS DEPT.

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MEMBERS, PORT COMMISSION

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HON. KIMBERLY BRANDON
HON. SUE BIERMAN
HON. ANN LAZARUS

MONIQUE MOYER, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
SEPTEMBER 28, 2004

1. CALL TO ORDER / ROLL CALL

Commission President Wilfred Hsu called the meeting to order at 3:10 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman, Sue Bierman and Ann Lazarus. Commissioner Brandon was attending the annual American Association of Port Authority (AAPA) conference in Long Beach.

2. APPROVAL OF MINUTES - September 14, 2004 Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor. The minutes of the September 14, 2004 meeting were adopted.

3. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

At 3:10 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT/DISMISSAL/RESIGNATION – This is specifically authorized under California Government Code Section 54957.

- Consideration and Possible Action on Public Employee's Appointment/ Dismissal/Resignation – Deputy Director of Port.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Dr. Goéry Delacôte

4. RECONVENE IN OPEN SESSION

At 5:05 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn executive session and reconvene in open session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

5. EXECUTIVE

A. Executive Director's Report: Executive Director Moyer reported the following

- Status report on the Port of San Francisco Embarcadero National Register Historic District Nomination.

  At the last Commission meeting, the Commission asked staff to work on the historic district nomination and if work is not concluded staff will provide the Commission with a status report. Since staff has not concluded all its work, a status report is being provided at this time. At that meeting, two issues were raised regarding the inclusion of Pier 36 and the Pier 39 bulkhead wharf in the proposed district nomination. With respect to Pier 36, all the parties have met and discussed all that needs to happen. The only public action that remains is under BCDC's jurisdiction. Both the City and the Port have taken all the actions they are obligated to take. Staff is working with BCDC on the environmental impact analysis and to move forward with the removal of the pier. Staff has reached a resolution with all parties regarding that issue. With respect to Pier 39 and Blue and Gold concerns, staff is still working with them on a set of guidelines that would address their interest. There are three primary criteria and staff will continue to work on those and hopefully be back at the October 26 meeting.

  Ms. Moyer attended the first part of the American Association of Port Authorities (AAPA) annual conference in Long Beach this week. Commissioner Brandon and Peter Dailey are still at the conference. It was a very good use of Port's time. Twenty-six countries belong to the association. There are a number of issues that are being grappled with by the industry. Obviously, security measure was one of them and environmental issues related not only to cargo but also to cruises. To that end, they took a tour of Carnival's new cruise ship terminal in Long Beach. They learned about some of the bug-a-boos that can be expected from our federal agency partners with respect to their needs for showers and dog kennels, etc. The terminal is very successful and one that she looks forward to when we can compete with them along those lines.

A few representatives from the Florida and the Caribbean ports were in attendance. Not only were the ports devastated by the hurricanes but also the homes of the port employees. Many of the executives and their staff have lost their homes. It will have a huge impact on world trade. Our prayers and hearts are with them.

Commissioner Hardeman indicated that it would be wonderful for San Francisco, in cooperation with Oakland and Redwood City, to host the annual AAPA conference. Ms. Moyer indicated that the conference had an amazing turnout and brought great commerce to the host City. The Mayor of Long Beach was very radiant with her enthusiasm of all the money being spent in her City. The conference was well attended by people around the world. To that end, the Port of San Francisco is hosting the Commission of the Association in May. It would be a wonderful time for them to include their spouse. Staff will work with the Commission on this event.

6. CONSENT

A. Request authorization to apply for, accept and expend $450,000 grant funds from the California Cultural and Historical Endowment for the Brannan Street Wharf. (Resolution No. 04-80)

Mr. Hodapp requested the Commission to adopt the revised resolution.

Mr. Jeffrey Leibovitz encouraged the Commission to adopt the resolution so they can get on with the project.

Commissioner Hardeman commented that there was no luck involved in getting the Pier 30/32 project moving forward. Mr. Leibovitz and the community worked so hard to get it moving.

ACTION: Commissioner Hardeman moved approval of the resolution as revised; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor. Resolution No. 04-80 was adopted.

7. PLANNING & DEVELOPMENT

A. Request authorization to award a professional services contract for a feasibility study of shoreside power and alternative air emission technologies for cruise ships berthed at the James R. Herman International Cruise Terminal at Piers 30-32. (Resolution No. 04-81)

Mr. John Doll, Planning & Development, indicated that on March 25, 2003, as part of the Final Supplemental Environmental Impact Report (FSEIR) process, the Port Commission adopted the CEQA findings that discuss the significant environmental impacts of the Cruise Terminal and Mixed Use (cruise terminal) project. The findings indicate that proposed mitigation measures reduce some impacts to levels of insignificance and identify other certain unavoidable significant environmental impacts. The findings included a Statement of Overriding Considerations that specific economic, legal, social, and other benefits outweigh the significant effects on the environment. The CEQA findings also

called for implementation of a Mitigation Monitoring and Reporting Program that includes, among other measures, establishment of air and water quality advisory groups to the Port Commission. The advisory groups would review potential additional mitigation measures for the air and water impacts of cruise ship activity at the Port and would provide recommendations to the Port Commission. The Port Commission may then choose to implement those additional mitigation measures deemed feasible. One area of review includes the use of technologies, such as shoreside power, and low sulfur content fuel to potentially reduce air emissions.

On June 11, 2003, the Port Commission adopted a resolution to establish the Cruise Terminal Environmental Advisory Committee (CTEAC). CTEAC meets on a regular basis, having met nine times since September 2003 to review cruise ship impacts to air and water quality and recommend additional feasible measures to the Port Commission to reduce those impacts.

Part of the BCDC major permit that was approved last October was a condition that requires the Port to provide certain items to BCDC. This includes the Port submitting a report on the feasibility of shoreside power as well as examining alternatives to reduce air emissions from cruise ships.

At the April 2004 CTEAC meeting, CTEAC approved a recommendation that the Port issue an RFP to review the cost effectiveness of shoreside power and compare that with alternative air emission technologies such as the use of low sulfur fuel and new emerging technologies.

On May 11, 2004, the Port Commission adopted a resolution to issue the RFP. On May 21, 2004, the RFP was issued. It was posted on the Port and City websites and advertised in local papers. A pre-bid conference was held on June 3rd in which a dozen firms participated and attended. On June 31, staff received four proposals that were reviewed by the selection committee. Two firms, Environ International Corporation and Dock Watts, were shortlisted for a final interview. Both Environ and Dock Watts were uniquely qualified. Environ did a similar feasibility study for the Port of Long Beach involving a wide range of commercial vessels including container and cruise ships. One of Dock Watts' principals was involved in the implementation of Juneau Alaska Shoreside Cruise Terminal project. Based on final interviews which took place earlier this month, the review panel rated Environ slightly higher than Dock Watts and felt that Environ was more suitable to perform the feasibility study while Dock Watts was probably better suited, if deemed feasible, to implement a shoreside power system. As a result, the panel determined that Environ International Corporation is the most qualified consultant team. The Environ Team consists of Environ, Han-Padron, Seaworthy Systems and YEI Engineers. Environ has performed studies evaluating marine vessel emissions and alternative emission reduction methods as well as air quality studies in the Bay Area. Han-Padron Associates have experience in conducting shoreside marine engineering projects. Seaworthy Systems is a marine engineering and naval architectural firm experienced in shipboard emission reductions, energy conservation and performance improvement. YEI Engineers specializes in providing electrical and infrastructure and mechanical engineering for the Navy and the Port of Oakland. Environ is the prime consultant.

The scope of work is divided into five primary work task and one reporting task:

Task 1: Prepare an inventory of candidate cruise ships. Review their onboard electrical systems, generator capacity and load and determine the potential demand and feasibility to use shoreside power.

Task 2: Calculate the existing air pollution emissions onboard versus onshore emissions and determine local power capacity to service a shoreside power system within the existing grid.

Task 3: Develop an analysis that includes the number of cruise ships, the time of berth, the required amount of electricity that could use shoreside power at berth as well as transit in and out of the bay.

Task 4: Develop cost to provide the shoreside power infrastructure into three segments from the source, to the property line, from the property line to the berth, from the berth to the ship and determine where a transformer or substation would be located to serve the berths and most importantly what the ongoing cost of electricity would be to the cruise lines to determine whether or not it is feasible

Task 5: To compare the potential infrastructure and operating cost and compare that with alternatives such as low sulfur fuel and other engine technologies and develop a comparative cost effectiveness in dollars per ton of criteria pollutant emissions.

Task 6: To prepare a draft report within four months of start date and to complete a final report within six months (March 2005). At that point, staff will present to the Commission the consultant's recommendations.

The project will be funded through a contribution from the cruise terminal operator, SF Cruise Terminal LLC, which was required as a condition to close escrow on the initial phase of the Byrant Street Project. That initial phase is a condo tower which is currently under construction. The cost of the study will not exceed $50,000.

Terri Shore, Bluewater Network, supports the resolution for the Port to select Environ to study shoreside power for Piers 30/32. Shoreside power is the most effective way of reducing large volume of diesel emissions that are generated when a cruise ship docks on the port for 10-12 hours at a time. It essentially will allow the ships to turn off their engines and reduce the emissions to virtually zero while they're plugged in or as much as 90% if they're plugged into hydro-electricity in San Francisco. This is a very important action for the Port because it will be on the edge of developing technology. As Mr. Doll mentioned the Port of Long Beach recently studied shoreside power and found out that it was feasible and cost effective. The Port of Los Angeles is also looking at shoreside power for other types of commercial vessels including China Shipping. A BP Tanker in Long Beach is going to be hooking up to shoreside power. There is an existing facility in Juneau, Alaska. An announcement will be made soon about a similar project in Seattle. The CA Air Resources Board is conducting its own study about hooking up ships to shoreside power up and down the coast and will consider it as a regulatory process in the

future. In terms of funding this kind of project, EPA recently initiated a new program offering financial incentives to reduce diesel emissions along the West Coast. There will be a press announcement on Thursday. They're hoping to have about $100 million a year for the West Coast beginning in 2006 to fund projects such as shoreside power. She encouraged the Port to closely monitor that process and to apply for funding. She was pleased to report that the Governor has signed three cruise ships pollution bills that Bluewater Network forwarded. It bans all dumping of gray water and sewage into coastal waters out to three miles which include the bay. The Port has a berthing agreement in place that prohibits such discharges. The Governor also signed a bill that prohibits cruise ships from burning trash onboard incinerators out to three miles. That's one step in reducing the emissions from those vessels.

Jeffrey Leibovitz, CTEAC, Rincon Point- South Beach CAC, echoed Terri Shore's comments. He'd like the Port to put the notion to rest whether or not shoreside power is feasible and cost effective for the cruise industry. Several of the locations that Terri had called out are catering to a particular type of ship or vessel. San Francisco is in a unique position of catering to a variety of ships that make San Francisco its port of call. It's important to note that the Port tries to accommodate as many vessels as possible even though it's not cost effective. The Port needs to take into consideration the design aspects of the shoreside power hook-up. The facility at Juneau Alaska is not a very attractive contraption. The Navy uses them throughout the world. The community is hoping for an extremely fine piece of architecture on the waterfront for the James R. Herman Cruise Terminal. He would hate to see a massive substation, electrical apparatus and something that becomes an eyesore incorporated into the design for shoreside power. That partly is going to be the problem of adapting a system that is going to be as versatile as Bluewater Network would like it to be. The Port may end up with a highbred or something that doesn't work. The Port has to be careful on how it spends its money. Since the federal government and the EPA are looking at this, there may be available funds so that the Port does not have to solely fund it. Obviously, the developer does not have to fund it. They have already made a commitment to the City and the people of San Francisco to build a new cruise terminal. He looks forward to the report. He hopes that the report ultimately does not create a delay if the economy changes and the developer decide to move forward because the infrastructure is very critical in adapting shoreshide power. It requires a substation, infrastructure, hook-up point, and the facility to accommodate it. Once the report is submitted, he cautioned staff to proceed carefully.

Joe Boss indicated that there are many funding sources coming on the horizon that it's important the Port knows about. He agreed with Director Moyer's comment about using the Port Commission meeting, which is the Port's designated public hearing, in a better function. The Port Commission meeting should be attended by more interested citizens. He served on the Board of Supervisors Power Task Force and is aware that the Port is trying to place 3-4 combustion turbines in San Francisco. The Public Utilities Commission will require mitigation measures for the pollutants they will be producing. The Port can get some money working within the City. At this point, there is no standard when it comes to ships. Very few ships have standard hook-ups because very few ports have shoreside power. However, that is changing. Over time, there could be some plug-ins. The reality is that PG&E's biggest substation in San Francisco is at 1st and Folsom which is not very far

for transmission at Pier 30/32. The report mentioned PG&E but did not mention Hetch Hetchy Power. Over the last few years, he was concerned that Port tenants would use PG&E because of an MOU instead of buying power from the City. When the tenants are presented with two different sources, it's cost competitive. He supports the resolution and urged the Commission to adopt it.

ACTION: Commissioner Hardeman moved approval of the resolution as revised; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor. Resolution No. 04-81 was adopted.

B. Informational Presentation on an Embarcadero Transportation and Parking Preliminary Study to address current and future parking demand along The Embarcadero, between Pier 35 and China Basin.

Diane Oshima, Planning & Development, indicated that the Port and the City Planning Department staffs, with the help of some key consultants, have begun addressing how to manage and plan for the associated transportation and parking needs along the Embarcadero. With funding support from Mills Corporation and Stanford Hospitality, the Port hired two consultants, Jose Farran from Wilbur Smith and Jeff Tumblin from Nelson/Nygaard Associates. The consultants have been working with the Port and the Planning Department to take a comprehensive look at the Embarcadero given a lot of the concerns about transportation and parking conditions. The waterfront is transforming from an industrial kind of land use to a public and mixed-use maritime kind of mix. The changes are fundamental in terms of the transportation demands and patterns that are associated with that land use change. In terms of the hard infrastructure, the Embarcadero, the F-Line, the Metro, the promenade, the ways in which people reach the waterfront have broadened. Staff is looking at how the new developments along the waterfront can optimize this new transportation system in place. Some of which is currently underway. It will continue to evolve over the future. In the Waterfront Land Use Plan and the San Francisco General Plan, the Port and Planning Commissions and Board of Supervisors have adopted policies which include: (1) promoting maritime and mixed-use developments on Port lands along the Embarcadero; (2) creating new public access and open space; and (3) supporting the City's "Transit First" policy, emphasizing public transit and alternative travel modes to reduce private automobile use and associated parking and traffic demands.

There are some parking facilities on Port controlled sites. In the long run, the Port has to take a look at how those facilities are managed so that it meets the travel needs of the visitors and people that are coming to the waterfront. This information will be provided as a supplement to transportation analysis that typically comes out of environmental impact reports. This study does not duplicate or substitute any of the transportation impact information from the CEQA environmental review documents. Those documents typically will look at the project in the larger City context, project traffic congestion, transit loading, etc. They have not revisited any of those assumptions in working with the Planning Department. They have specifically tried to complement that analysis that takes place in environmental review documents with this parking related analysis. This information will be helpful for the Port to work with its developers and tenants to craft

business operations program so that their customers can get to the waterfront easily.

Ms. Oshima indicated that staff has shared this information with the Northeast Waterfront Advisory Group (NEWAG) a couple of weeks ago and also shared the information briefly with the Fisherman's Wharf group. They will be meeting shortly with the Ferry Building area tenants and developers to share this information. She pointed that this is a preliminary level of analysis. It is by no means final. It's a good time to flush out the issues that needs to be wrapped into the analysis.

Ms. Oshima indicated that the transportation study was prepared by Wilbur Smith and Associates and Nelson Nygaard Associates.

Mr. Tumlin from Nelson Nygaard Associates provided the Commission a brief summary of the materials they presented to NEWAG including some of the parking and planning principles and the results of their analysis, the parking supply and demand both now and in the future and mitigations for some of the parking supply and demand mismatches.

The goals for parking and transportation for the entire Embarcadero and the waterfront are to: (1) Support revitalization projects that attract people to enjoy the waterfront. The focus is on people. They want to make sure that the waterfront is highly accessible to all types of people. (2) Maximize access to the waterfront for residents, visitors, employees and freight; all are important for a functioning waterfront. (3) Manage traveler demands to achieve an efficient and effective use of the Embarcadero transportation network, looking at all modes of transportation. They also worked with NEWAG to set up the following basic principles for planning parking along the waterfront:

- Set clear parking priorities. They can't provide all the parking that everyone wants and some types of parking are more valuable than others. For example, parking for visitors and shoppers makes more productive use of space because of a higher turnover and it generates sales tax return for the City that would be beneficial to the public. Whereas parking space for commuters just sit there all day long. It's not generating tax revenue, it's not attracting new business to the City. Different types of parking have different priorities and it varies depending on the location in the City. Existing residents are an important part of setting those priorities.
- Managing your existing parking supply before thinking about building new parking is also important. Some parts of the City are better managed than others. It's often times cheaper to apply management techniques on existing supply, particularly the City-owned supply, than it is to build lots of new parking.
- Ensure that the parking supply is always available and that people know where to find it. The City has done a pretty good job at Chinatown where there is real time information signs that tell motorists coming up Kearny where parking is available, which garages are full, etc. If the garage is full, spaces are available in another garage.
- Ensure new parking facilities can be shared. Ensure efficient use of the facilities so that an office building lot does not sit empty all night long when the restaurants are demanding it.
- Manage the entire parking supply as part of a coherent system focused on the customer rather than on an individual building use.

- Do not subsidize parking. If the goal is to maximize access, particularly to people who are disadvantaged, there is always a more cost-effective tool than managing parking. For example, subsidizing transit can be more effective in terms of attracting people than subsidizing parking.
- Parking pricing and parking management can be a tool to manage roadway congestion. Using parking supply and parking pricing system to balance out particularly peak period congestion can be a valuable tool. This was done in the downtown and South of Market areas. It shifted away from commuter parking to a more visitor-oriented parking.
- Parking should not come at the expense of good urban design or compromised transit service. The Port should focus on parking on the landside rather than on the waterside, wrapping parking in an attractive act of uses, etc.
- Address spillover parking concerns, making sure that existing residents and existing businesses aren't unduly impacted by new development or by having outsiders parking in front of their businesses and homes.

Jose Farran, Wilbur Smith Associates, indicated that they first looked at the existing conditions in the waterfront area in terms of parking as a baseline. The study encompasses from Pier 35 to China Basin. They divided that area in three distinct subareas:

1. Northeast Waterfront - from Pier 35 to Broadway on the north;
2. Ferry Building - from Broadway to Folsom Street; and
3. South Beach - from Folsom to China Basin.

They collected the information from several reports that looked at parking in the waterfront over the last five years. These reports were done either for the Port, for the Planning Department or the Department of Parking & Traffic. In summary, they found that the peak utilization of parking in the northeast waterfront is 72% which means that 72% of spaces in the aggregate are occupied including public parking facilities either on Port or private land. In the Ferry Building area, 87% utilization. In the South Beach, 86% utilization. In the aggregate, an 83% utilization of parking. They developed the following three potential future scenarios to look into the different land uses between now and the future (2020/2025):

- Scenario 1 – Continue existing trend; assume Superdistrict 1 travel and mode choice patterns. There will be similar mode share i.e. the split between public transportation, walk and use of automobile as it exists today.
- Scenario 2 – Severely curtail long-term parking availability; apply short-duration parking rates. Long-term parking means mostly employee parking. People that park more than 2-3 hours a day to go shopping, etc. By means of higher long-term rates, they were able to eliminate the long-term parking mostly for employees.
- Scenario 3 – Decrease share of trips by auto; higher transit-oriented travel and mode choice patterns, similar to the financial district. They looked at Scenario 1 again and changed the existing plan, the number of people that arrive at the waterfront by means of automobile and move those into public transportation, walking, etc. To accomplish that, public transportation will have to be enhanced in the waterfront.

The parking utilization by scenario is as follows: 83% occupancy for the aggregate under existing conditions. Future Scenario 1 will increase to 114% because there will be increase in demand. There will be reduction in existing parking supply because of future projects on the waterfront. The development will take place at some of the parking lot sites. Future Scenario 2 – if the long-term employee parking is eliminated, the parking utilization will decrease to 98%. Future Scenario 3, enhanced public transportation, the parking utilization will be 104%.

Looking at the particular subareas (Northeast, Ferry Building and South Beach), the same pattern appears. It will be particularly drastic in the Northeast waterfront under Scenario 1. It will look substantially lower under Scenario 2 and it will be somewhere in between under Scenario 3. The results appear to be same in any of the three subareas. The fact that the percentages are different has to do with how much development is planned, how much parking may be available and how much existing parking may disappear in that particular subarea.

Mr. Tumlin indicated that this is an interesting theoretical exercise, running out scenarios 2 and 3. In looking at parking pricing and management in the existing study areas, they noticed that the majority of spaces along the waterfront are currently managed to favor commuters. There are a lot of people who work in the financial district who use cheap monthly parking on the piers along the waterfront in order to avoid more expensive parking in the financial district. For most parking, the longer you park, the cheaper it is. There are relatively low cost monthly and flat daily rates. Oftentimes, the hourly parking is quite expensive. It's currently set up not to favor shoppers and visitors. Similar pattern is seen in the downtown and south of Market are wherein the 1970s while the financial district was being developed, there was a good deal of surface parking in and around downtown. That has shifted just as the south of Market parking has shifted to emphasize more hourly parking where the first hour of parking is cheaper than the third hour of parking. Most of the monthly parking has gone away. A couple of years ago, the Fifth & Mission garage was about half reserved monthly parking. As the Yerba Buena Garden area was developed, all the monthly parking disappeared. The City now manages that garage to favor shoppers and visitors and make sure that there is a parking space available in that garage every single day of the year. Applying similar principles to the Embarcadero would achieve similar results. Applying some basic price elasticity of demand figures to the existing parking supply along the Embarcadero by taking just the monthly parking that's controlled by the Port and applying a typical hourly rate to that parking, the monthly parking demand is reduced by 60%. It's a big drop because it's a big increase in price per hour. If the same thing is done with the flat daily parking fees and introduce a typical hourly figure, the daily commuter demand is reduced by 50%. The result is a rather significant modeship towards transit seen in the financial district and south of Market. Same shift for people who are using the waterfront to go to their south of Market or downtown jobs, the shift toward the last remaining supplies of relatively low cost parking and the outer areas of SOMA. The Port has a great deal of power to set the parking policies on their land as the City has done at the SOMA. The Port has no authority to tell private parking operators what to do. The private lot operators will follow the same trend that has happened in the SOMA recently. In the course of their analysis, they've assumed no change in the pricing policy for the private operators, just to be conservative.

In their analysis, they assumed 50% reduction of existing parking demand on 50% of existing spaces controlled by the Port. Other tools are shared parking and linked trips. Different uses along the waterfront have parking demands that peaks at different times of the day. Offices peak at a different time. Restaurants, bars and entertainment tend to peak at night and weekends. There are good shared parking opportunities among those uses. Hotels are also a great use to encourage shared parking. Along the Embarcadero, having linked trips becomes possible where somebody gets dinner, drinks, and a movie using only one parking space. The most conservative shared parking and linked trips analysis produces an 8-10% increase in future supply. Before any of these reductions can happen, there must be significant improvements to transit along the waterfront. The current F-Market service is oftentimes at or exceeding capacity. Muni short-range transit plan includes: (1) improved service on F-line; (2) operational improvements on Market Street and (3) new E-line service. Muni's plan would reduce the headways from 7 minutes to 4 minutes and increase the capacity from 630 to 1120 passengers per hour. This is barely enough to achieve the kind of modeship we would like to see in some of the alternative scenarios. It is reliant upon Muni being able to have the operational dollars it needs in order to run the service. All parties need to work closely with Muni and the rest of the City to prioritize waterfront transit. The increased ferry service was not included in the study. They assumed that the F-line would have to carry the bulk of the demand. The Port is already incorporating the transportation demand management in its new leaseholds. A key component of the transportation demand management is unbundling parking costs, forbidding developers and tenants from giving parking away to their customers and employees. If they want to provide free parking, they are required to provide the cash value of that parking to people who don't drive. This is an increasingly common transportation demand management tool particularly in the Bay Area and it is extremely effective. Providing free or subsidized transit passes to employees or visitors is a routine program and providing facilities to bicyclists, helping out carpools and providing telecommuting and flex time options. Other tools include accessory transportation such as the green shuttle or the culture busses linking up all of San Francisco key tourist destinations with a dedicated transit service that will provide higher level of amenity as well as visitor programming, basically a combination of transit and a tour bus. It's very successful in Sydney, Australia. Hotel concierge also provides a good transportation service for folks staying in hotels and has often been useful for non-hotel guests in urban environment. Parking information and guidance systems such as the static information and real-time information and expansion of car sharing programs along the waterfront are also important tools. The result of pulling all of these things together allows for Scenario 4.

Mr. Farran indicated that Scenario 4 is an emphasis on public transportation. By adjusting the parking rates, they were able to reduce approximately half of the long-term employee parking in a Port controlled facilities only. There was a small increase in parking supply because of shared parking. For Scenario 4, the northeast waterfront has a 92% parking utilization; Ferry Building 99% and South Beach 103% and 99% in the aggregate.

Jeff Tumlin indicated that there is a great deal of flexibility and there's no single correct solution. There's ultimately a policy decision about how much parking should be along the waterfront and how that should be managed. Providing more parking along the waterfront will result in greater accessibility for motorists and will result in lower parking

prices but it will also produce more automobile traffic. At a certain point, more automobile traffic will result in less person capacity for the entire waterfront. Providing less parking results in higher parking prices, discourages automobile trips. For some uses, it may result in less business or more business depending on transit operation improvements and funding. Implementing any of these requires significant investment and transportation demand management in transit improvements and other programs to make it work and ensure that the waterfront remains vibrant for all users.

Diane Oshima indicated that there is an ongoing concerted effort to work with the City and Muni to ensure that they have the means to deliver the transit service in their short-range plans. There are a number of different ideas to expand the waterfront transit service. There's been discussions about extending the F-line up to Fort Mason and beyond the Presidio. There is a desire to have a short loop Metro service down to Mission Bay to Pier 70 and back; that's on top of extending the Metro all the way down Third Street to Bayview. There are potentially a lot of competing ideas of expanding transit. From the Port's and the community's perspectives, the Metro and the F-line are underserved relative to the transportation needs. There already are systems in place. Port staff is helping Muni in their efforts to get the funding needed.

David Parisi, registered Civil & Traffic Engineer with Parisi Associates Transportation Consulting Group, indicated that his firm was asked to help the Citizens to Save the Waterfront to understand how the development at Piers 27-31 would impact them from transportation and parking perspectives. He prepared several EIRs with a transportation element including Third Street Light Rail and recently prepared for the Transportation Authority the Market Street Study. He has a good understanding of a multi-modal corridors. In working with the group, a set of reasonable principles for any development at Piers 27-31 and not just the current Mills proposal was developed as well as five traffic, transit and parking guidelines. Contrary to what the Commission may have heard, they did not prepare a study. It is not their role or responsibility. The principles are fair ideas that are very sensible and ideas that most reasonable people would agree with. They include:

Principle 1: Maintain the mobility on the Embarcadero which is in everybody's interest.
Principle 2: Fair is Fair. Any project approved for Piers 27-31 must meet the same set of approval requirements that other northeast waterfront projects have had to meet. This includes on-site parking, traffic impacts and transit requirements that have been or are applied for other northeast waterfront projects.
Principle 3: Do No Harm. This means that any project approved for Piers 27-31 should have no or only minimal impact on adjacent and nearby neighborhoods as far as traffic circulation, parking and safety are concerned.

The group also developed the following set of reasonable guidelines that they would like to see be met with respect to any development at Piers 27-31:

1. Embarcadero transit service must be increased. As Mr. Tumlin indicated, the F-line is operating at or over capacity which is contrary to the developer's assertion that the F-line is operating at 84% capacity. Nevertheless, transit service must be increased.
2. Vehicular crossings of Herb Caen Way and the Embarcadero bicycle lane must be

limited or prohibited. Heavy volumes of vehicular traffic turning across and blocking Herb Caen Way and the bicycle lane on the Embarcadero would create unacceptable conflicts and safety hazards for all users. The developer's traffic study currently estimates about 700 cars an hour would need to cross Herb Caen Way.

3. There can be no on-street drop-off zone. Drop off and pick-up traffic moving on and off the Embarcadero and crossing a heavily used bicycle lane would create hazardous and unacceptable conditions. The developer's traffic study estimates that about 100 cars an hour would be using that lane.
4. The width of Herb Caen Way must be maintained or expanded. They conducted traffic and pedestrian count in August and counted over 1000 pedestrians an hour walking in front of Piers 27-31. According to the developer's traffic study, the effective width of the pathway would be reduced from 29 feet to 11 feet while at the same time the project itself will increase pedestrian traffic by 2-3 times.
5. Development should have a hands-off policy towards streets and parking in adjacent neighborhoods. Based on the application of San Francisco Planning Code requirements which have been required for all other northeast waterfront development, the Piers 27-31 project should be required to provide almost 1800 parking spaces. However, the developer is only proposing to provide 600 parking spaces or about 34% of the requirement. Directing Piers 27-31 traffic into the neighborhood would overwhelm and inundate it resulting in traffic congestion, hazardous conditions and severe parking shortages for the neighborhood.

The Citizens to Save the Waterfront have developed some reasonable principles and guidelines and they realize that some form of development is inevitable for Piers 27-31. They also realize that the current proposal does not meet their simple guidelines.

Ron Kaufman indicated that he is part of a very diverse group in the businesses and residents in the northeast waterfront who are concerned about the transit, transportation and parking issues. Their concern relates to what they heard as being abstract and not concrete. The concrete in front of Piers 27-31, Pier 15-17 are two lanes wide in many places. They're afraid that this study is being theoretical as opposed to taking into account the actual infrastructure that is there. The presenters mentioned that the residents and the businesses are affected by these developments, they should set the priorities. To his knowledge, none of them have been contacted by the people doing the study to talk about priorities. He apprised the Commission that as far as private parking is concerned, neither Levi's Plaza, the Bay Club or a number of the private lots on the landside has any capacity and many of them are being used night and day by the residents and the businesses. He urged the Commission to separate the theoretical from the reality of the concerns of having two major traffic producing development within a close proximity that will have a tremendous impact on Embarcadero.

Bob Harrison, Transportation Planning Consultant for Mills Corporation, indicated that they agree with the Citizens to Save the Waterfront's principles and they plan to follow through. They agree about the increased transit. He noted that the requirement of 1800 parking spaces is a City parking code requirement that does not apply to the northeast waterfront nor to the Mills project. The independent analysis done in the City's environmental study required approximately 700 parking spaces. He estimated that by

using shared parking and emphasizing short- term parking only, which Mills is willing to do, they can get that demand down to 500 or around that number. Mills plan to provide more than adequate parking on its own site to cover the entire short-term parking demand. Based on the most recent traffic count done in the summer of 2004, all of the Embarcadero intersections continue to function at level service D or better even when the Mills project is included. Level Service D is the City's standard. The intersections will continue to operate at the City's standard or better with the Mills project in place. The project will provide adequate parking. The parking supply will be adequate on site to serve the short-term and almost all of the long-term needs. Their intent is to discourage some of the long-term parking. Transit on the Embarcadero will be increased. Mills have committed to assist Muni, providing over a million dollars to assist Muni in buying old PCC cars and rehabilitating them. They know that the problem is operating money. Mills is ready to help as best as they can. Muni plans double transit capacity on the Embarcadero, which Mills support and the citizens want. Everybody wants more transit on the Embarcadero. The project is on the waterside. Cars have to cross Herb Caen Way. They will station their people to manage the street crossing. Their first effort would be the safety of people walking and riding bicycles as they potentially might conflict with cars crossing that street. They have an answer to all the issues.

Jeffrey Leibovitz, Rincon Point-South Beach CAC, echoed the statements made by Mr. Kaufman. As a member and resident of the South Beach community, this is the first time he's heard of the study. They have not been included in the discussions. He is also on the Ballpark Transportation Coordinating Committee (BTCC) and the committee has not been included in the discussions. The Port is working in a vacuum in some respects. He lives in the South Beach community and they are impacted during the Giants ballpark season. With the lost of commuter parking lots to construction, their neighborhood has now become severely impacted by fans. With the limited accessibility to those parking areas south of the channel, fans have now become accustomed to parking in their neighborhood. If the Port goes on a program of eliminating commuter parking or other parking currently available, South Beach residents will be severely impacted. It will add to the burden they already have. Many of them are very transportation friendly. Most of the South Beach residents support the transportation plan or policy that San Francisco has. The reality of trying to force people out of their vehicles is extremely hard. There are some projects that are being constructed in the South Beach community that add one additional space that allow for that extra car. A lot of people that move into the City are working families and require two cars for their jobs. Not everybody works in San Francisco. Not everybody can take CalTrain or the ferry service. Before the changes are implemented, he asked the Port to start a dialog with the people who are most affected by it. The Pier 30/32 cruise terminal development will be coming up soon. There are 400+ spaces incorporated into the project. They were lucky because they have neighborhood retail servicing into that development. There's going to be a lot of crossing of the Embarcadero and Herb Caen Way as well. He urged the Commission to look at and consider the impacts to their neighborhood, to the City and to the visitors before any sweeping and changing policies are implemented.

Toby Levine commented that she's sorry to hear that the people at South Beach area had not had the proposal shown to them but she's sure they will get an opportunity in the

coming weeks. In terms of the proposal and the study, it's a very important first step because the whole transportation spine that runs along the Embarcadero is not thoroughly worked out and thought about. Obviously things will have to be worked out and the money would have to be gotten and things have to be tried out to see if they work or not. For the future of the Port and San Francisco, this effort is important. She asked the Commission to hang in there, support it, and get staff to move to the next step and work with the community and other things that need to be done. The Port has a very small staff and the Commission has to set priorities for them. For the future of the Port, this priority is very high and something that needs to be worked out.

Diane Oshima indicated that this is a preliminary analysis. A lot of the questions are arising from the northeast waterfront subarea primarily and that is one of the main motivators for doing the study. Clearly, meeting with South Beach and the Ballpark Transportation Coordinating Committee is part of that effort. Staff's first thought is to brief the Commission and will be in the process of getting around to the different community groups.

Commissioner Hardeman commented that with all the parking spaces eliminated on the waterfront, it is amazing that there are still available spaces left. If the study was done many years ago, it would probably show that we would need 300% more parking. It's amazing that we're not well over the capacity on parking. The study is very educational and the Commission will provide whatever effort is needed to help staff to get more and improved transit on the waterfront. The Port is moving at the right direction and it needs all the help it can get to continue with the project.

Ms. Moyer noted that as staff works on projects, the most common complaint she gets from the public is that they don't see it. Port staff's biggest priority is the staffing and presentations to the Commission. There are 14 community advisory committees and there are not enough Port employees to staff them. The Port Commission meeting, which is the designated public hearing venue, must be used in a better function. Staff notified all of the CAC chairs about today's hearing and will continue to notify them about future hearings. The Commissioners should be hearing the public debate in a public debate room and the CAC should help Port staff do the work.

8. NEW BUSINESS / AGENDA SETTING

Ms. Moyer indicated that the agenda setting list has been pretty consistent as it has been for a while. It will be a very busy October. A public hearing will be held regarding the Mills ERN October12, 2004 at 5:30 p.m. The ERN expires on October 12, 2004. Some sort of Commission action would be required on that date. If staff concludes its work on the National Register Historic District Nomination, it will be presented to the Commission on October 26, 2004; if not, staff will keep the Commission posted.

Vedica Puri, Telegraph Hill Dwellers, understands that there will be a hearing on the Mills project on October 12, 2004. The Citizens to Save the Waterfront have been in private negotiations with Mills but they are falling apart. As far as NEWAG is concerned, there is a meeting tomorrow night where Mills is going to present the revised plan. If they are going to

get one tomorrow, it's only two weeks before the public hearing. They are a bit of a loss, two weeks before this important hearing, as to the status of the project as they have not seen a revised plan. She wanted to know where things stand. At the last NEWAG meeting, Mr. Bennett mentioned that things were not resolved yet.

Monique Moyer replied that the developer will be presenting a revised plan at the NEWAG hearing tomorrow. Staff is concluding its negotiations with respect to the proposed uses and square footage. Staff is still negotiating fervently on the other aspects of the project including the financial terms. One of the milestones that the developer has to accomplish is to make a presentation to NEWAG before October 12. There were two other milestones that were not accomplished because they were not feasible at this time: (1) appearing before the State Lands Commission; and (2) appearing before the Waterfront Design Advisory Committee. Staff hopes to make a recommendation by October 12, 2004 but there are many options that could happen. Nonetheless, a public hearing will be held on October 12 regarding the proposed uses. That would be the appropriate time for the public to present their issues or provide comments to the Commission and not NEWAG. NEWAG cannot be a substitute for the Commission.

9. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commissioner Hsu adjourned the meeting at 6:21 p.m.

SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner
Ann Lazarus, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

AGENDA

REGULAR MEETING

3:00 P.M., TUESDAY, OCTOBER 12, 2004

PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

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The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

1. **CALL TO ORDER / ROLL CALL**

2. **APPROVAL OF MINUTES** - September 28, 2004 Meeting

3. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

      (1) PUBLIC EMPLOYEE APPOINTMENT/DISMISSAL/RESIGNATION – This is specifically authorized under California Government Code Section 54957.

      - Consideration and Possible Action on Public Employee's Appointment/ Dismissal/Resignation – Deputy Director of Port.

      (2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED AND EXISTING LITIGATION MATTERS. (Discussion and/or Action Items)

      a. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (2 cases):

- St. Paul Fire and Marine Insurance Co. v. City and County of San Francisco, San Francisco Port Commission, et al.; U. S. District Court, Northern District of California, Case No. C04-0339JL.

  Discussion and approval of settlement of litigation filed by Port's insurer for declaratory relief as to the Port's rights to insurance coverage related to prior litigation. Proposed settlement of litigation upon terms which include insurer's payment of $1,200,000, for partial indemnification and payment of legal fees incurred in the prior litigation, in exchange for a release.

  A copy of the proposed litigation settlement agreement is available for inspection with the Executive Secretary for the Port, pursuant to San Francisco Administrative Code Section 67.12(b)(3).

- City and County of San Francisco v. California Foundation on the Environment and the Economy, Inc. San Francisco Superior Court Case No. CUD-611219, filed July 28, 2004.

b. Discuss resolution of contract dispute in advance of anticipated litigation pursuant to Sections (a) and (d) of California Government Code Section 54956.9 and San Francisco Administrative Code section 67.10(d):

- As Plaintiff: Anticipated Litigation Regarding China Basin Ferry Terminal, Contract No. 2660.

  Discussion and approval of settlement of dispute arising from alleged breach of contract and latent construction defects in work performed under China Basin Ferry Terminal project, Contract No. 2660. Proposed settlement of dispute with contractor Vortex Marine Construction, Inc., on terms that include Contractor's agreement to complete repairs specified by the Port, and provide a limited warranty, in exchange for a limited option for Port's assignment of third-party beneficiary claims, and a mutual release of all claims between the parties relating to the construction.

  A copy of the proposed settlement agreement is available for inspection with the Executive Secretary for the Port, pursuant to San Francisco Administrative Code Section 67.12(b)(3).

c. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Plaintiff)

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development

*Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

Vote on proposed settlement of existing litigation entitled St. Paul Fire and Marine Insurance Co. v. City and County of San Francisco, San Francisco Port Commission, et al (Listed above under Closed Session, Item No. B(2)a.)

Vote on proposed settlement of existing litigation entitled City and County of San Francisco v. California Foundation on the Environment and the Economy, et al. San Francisco Superior Court Case No. CUD-611219. (Listed above under Closed Session, Item No. B(2)a.)

Vote on proposed settlement of contract dispute relating to China Basin Ferry Terminal, Contract No. 2660 (Listed above under Closed Session, Item No. B(2)b.)

5. EXECUTIVE

A. Executive Director's Report
- Fleet Week – October 8-11, 2004

6. MARITIME

A. Request approval of a ten-year lease with the National Liberty Ship Memorial, Inc. for the berthing of the SS Jeremiah O'Brien at Pier 45 (Resolution No. 04-82)

7. PLANNING & DEVELOPMENT

PLEASE NOTE: ITEM 7A WILL BE HEARD NO EARLIER THAN 6:00 P.M.

A. Request approval to extend the date for the Port Commission to endorse the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project; extend the date for presentation to the State Lands Commission staff and the Port Waterfront Design Advisory Committee and Bay Conservation and Development Commission Design Review Board; and Informational Presentation on the Revised Preferred Alternative Project.(Site Location: The Embarcadero, between Bay and Battery

Streets) (Resolution No. 04-83)

8. NEW BUSINESS / AGENDA SETTING

- New Business

- Agenda Setting (Targeted Commission meeting, subject to change)

  - Request authorization to issue a Request for Proposals for Habitat Restoration at Heron's Head Park. (October 26, 2004)
  - Request approval of a resolution adopting the proposed Port of San Francisco Embarcadero National Register Historic District, consisting of an approximately three-mile area of the waterfront along the Embarcadero, between Pier 45 in Fisherman's Wharf and Pier 48 at China Basin, including the seawall, historic piers, wharves and structures located on the wharves, and authorizing staff to submit the Historic District nomination report to the State Office of Historic Preservation and National Park Service for listing on the National Register of Historic Places. (October 26, 2004)
  - Request authorization to apply for, accept and expend grant funds from the California Cultural and Historical Endowment for a new roof and new gutters for Building 113-114 at Pier 70. (October 26, 2004)
  - Request approval to award Contract No. 2692, Pier 35 Security Enhancements. (October 26, 2004)
  - Request approval to advertise for competitive bids Contract No. 2699, Fisherman's Wharf Seawall Repair, located at Al Scoma's Way. (October 26, 2004)
  - Request adoption of the Port's Proposed Surplus Furniture, Fixtures and Equipment Policy. (November 9, 2004)

9. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

10. ADJOURNMENT

OCTOBER/NOVEMBER/DECEMBER 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
October 12	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
October 26	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
November 9	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
December 14	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Brannan Street Wharf Citizens Advisory Committee meets on an as-needed basis to develop a concept plan for this planned open space in the South Beach area. Meetings are held in the Bayside Conference Room at Pier 1. Contact Dan Hodapp @ 274-0625 or dan_hodapp@sfport.com

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets.
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. & Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall, the San Francisco Public Library or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

October 7, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique A. Moyer
Executive Director

SUBJECT: Approval of a ten-year lease with the National Liberty Ship Memorial Incorporated for the Berthing of the SS Jeremiah O'Brien at Pier 45.

DIRECTOR'S RECCOMENDATION: APPROVE TEN-YEAR LEASE

Background:

The National Liberty Ship Memorial, Inc (NLSM) is a California Non-Profit Corporation which maintains and operates the S.S. Jeremiah O'Brien as a National Liberty Ship Memorial. The *O'Brien* is approved by the American Bureau of Shipping and certified by the U.S. Coast Guard as fully seaworthy and is currently berthed at Pier 45. Built in 1943, she made eleven crossings of the English Channel during World War Two carrying personnel and supplies to the Normandy beaches in support of the D-Day invasion.

In 1994 the O'Brien steamed from San Francisco and participated in the 50th Anniversary of the allied invasion of Normandy. The ship relies on the work of hundreds of volunteer crewmembers and funding from individual donations and corporate sponsors.

The vessel is a bona-fide memorial and a living museum to the seamen of the U.S. Merchant Marine who served in World War Two and to the men and women who built the largest single class of ships in history.

The vessel has been berthed at Pier 45 and open to the public under month-to-month Lease #12601 since August 1998. The Port has now negotiated a ten-year lease and berthing agreement for the O'Brien at Pier 45. This new lease, which is supported by the Port's Fisherman's Wharf Advisory Group, will provide NLSM the stability of a longer-term agreement that will greatly facilitate and enhance their fundraising efforts.

This Print Covers Calendar Item No. **6A**

Proposed Lease and Berthing Agreement Terms:

Premises:	5,806 square feet of Shed Space, 5,910 square feet of non-exclusive Apron Space, and 620 linear feet of Berth Space located at Pier 45, Shed C.
Term:	Ten Years, commencing October 1st, 2004 and terminating on September 30, 2014.
Use:	Public Access and support facilities for the berthing of the SS Jeremiah O'Brien, a ticket booth limited to ticket sales to visit the SS Jeremiah O'Brien, and vehicle parking for vehicles associated with the operations of the ship.
Base Rent:	$2,500 per calendar Month
Percentage Rent:	Percentage rent shall be offset by base rent and shall be calculated and paid monthly by applying the percentage rates indicated below to the gross receipts of the indicated types of sales:

Ticket Sales	6%
Gift Shop	6%
Events (other than bay or river cruises)	6%
Charters & Rental	6%
All others	6%

Maintenance:	NLSM is responsible at its sole cost and expense to maintain and repair in good working order the Premises including the fendering system. Any dredging required for NLSM to use the Premises shall be the responsibility of the Tenant. Port's responsibility includes the common areas of Pier 45, Shed C; the pier and apron substructure; the shed structure; the roof; the exterior shed walls; the existing doors; and the common area lighting.
Pier 45, Shed C Development:	NLSM acknowledges Port's right to terminate the lease should Port proceed with the planned Pier 45, Shed C Commercial Fishing Development Project.

Prepared by: Peter Dailey, Maritime Director

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-82

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Section B3.581 (g), leases and franchises granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, National Liberty Ship Memorial, Inc. desires to enter into a ten year lease agreement with the Port for the use of Pier 45; and

WHEREAS, said use offers a permanent location providing stability and ability for fundraising for the National Liberty Ship Memorial, Inc. and a revenue stream for the Port; now, therefore, be it

RESOLVED, that the San Francisco Port Commission authorizes the Executive Director to enter into any addition, amendments or other modifications to the lease (including without limitation, preparation and attachment of, or changes to any and all exhibits) that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the City, do not increase or decrease the rent or otherwise do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transactions to the lease and berthing agreement in accordance with this resolution or to otherwise effectuate the purpose and intend of this resolution, such determination to be evidenced by the execution and delivery by any such person or persons of any such documents; and be it therefore

RESOLVED, that the San Francisco Port Commission hereby authorizes the Executive Director to enter into a ten-year lease with National Liberty Ship Memorial, Inc. on terms set forth in the memorandum for this item, a copy of which is on file with the Commission Secretary, and to execute documents effecting said lease on behalf of the Port, in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of October 12, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

October 8, 2004

TO: **MEMBERS, PORT COMMISSION**
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director M Moyer

SUBJECT: **Request to extend the date for the Port Commission to endorse the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project; extend the date for presentation to the State Lands Commission staff and the Port Waterfront Design Advisory Committee and Bay Conservation and Development Commission Design Review Board; and Informational Presentation on the Revised Preferred Alternative Project. (Site Location: The Embarcadero, between Bay and Battery Streets)**

DIRECTOR'S RECOMMENDATION: EXTEND THE DATE FOR THE PORT COMMISSION TO ENDORSE THE TERMS OF A REVISED DEVELOPMENT MEMORANDUM FROM OCTOBER 12, 2004 TO NOVEMBER 9, 2004 AND EXTEND THE DATE FOR PRESENTATION TO STATE LANDS COMMISSION STAFF AND TO THE JOINT WATERFRONT DESIGN ADVISORY COMMITTEE AND THE BAY CONSERVATION AND DEVELOPMENT COMMISSION DESIGN REVIEW BOARD FROM AUGUST 16, 2004 UNTIL JANUARY 18, 2005.

I. EXECUTIVE SUMMARY

The Port and SF Piers 27-31, LLP, a subsidiary of The Mills Corporation ("Developer"), are parties to an Exclusive Right to Negotiate agrcement ("ERN"), datcd June 13, 2001, as amended, setting forth the terms for negotiation of thc development, lease and operation of a mixed-use recrcation project at Piers 27-31 (the "Recrcation Project"). The ERN is due to expire on January 18, 2005. The ERN also contains an interim Performance Benchmark whereby the Developer must obtain Port Commission's endorsement of a Revised Development Memorandum on or before October 12, 2004. The Revised Development Memorandum must include a "Revised Preferred Alternative Project" showing a site plan and program of uses, and associatcd financial

This Print Covers Calendar Item No. 7A

terms. The Revised Development Memorandum will serve as the basis for future negotiations of the development agreement and lease. If the Port Commission fails to endorse the Revised Development Memorandum by October 12, 2004, the ERN automatically terminates.

Since June 8, 2004, the Developer has made changes to the Recreation Project to respond to requests by Port staff, reflecting concerns of the Port Commission, the Northeast Waterfront Advisory Group), and business and community groups. This Revised Preferred Alternative Project is the subject of the informational presentation scheduled for this Port Commission meeting (as more particularly described in Part IV of this Staff Report). The Port staff and Developer have also negotiated many provisions of the Revised Development Memorandum related to the site plan and use program. However, they have been unable to conclude negotiations concerning the Revised Financial Proposal in time for the October 12, 2004 meeting.

In order to allow the parties to complete negotiations on the financial terms, Port staff recommends an extension of the deadline for Port Commission endorsement of the Revised Development Memorandum until November 9, 2004. In addition, should the Port Commission endorse the Revised Development Memorandum as of November 9, 2004, Port staff recommends an extension of the following two Performance Benchmarks until January 18, 2005: (1) presentation of the revised site plan to the Waterfront Design Advisory Committee ("WDAC") and the Bay Conservation and Development Commission's Design Review Board (DRB); and (2) presentation of the changes to the site plan to State Lands Commission staff.

Recommendations. Staff recommends that the Port Commission extend the time for the Performance Benchmarks as follows:

(1) The date for Port Commission approval of the Revised Development Memorandum will be extended through November 9, 2004.

(2) If the Port Commission approves the Revised Development Memorandum as of November 9, 2004, the time for presentation of the revised site plan to the WDAC and the DRB and presentation of the changes to the site plan to State Lands Commission staff shall be extended through January 18, 2005.

II. BACKGROUND

By an Amended Request for Proposals dated August 31, 2000, the Port solicited proposals from qualified parties to lease the approximately 19-acre complex of piers located at Piers 27, 29, 29½ and 31, ("Site") to develop and operate on the property a mixed use recreation project. The Port received two proposals on December 5, 2000.

Based upon its review, the Port Commission at its April 18, 2001 meeting by Resolution No. 01-30, awarded Developer the opportunity to enter into the ERN; however, the Port Commission directed the Developer to revise the project set forth in its response to the RFP (the "RFP Proposal") based upon thirteen conditions adopted by the Port Commission (the "13 Conditions"). The 13 Conditions are discussed in detail in PART IV.C below.

The ERN requires the Port and Developer to negotiate a non-binding Development Memorandum consistent with the 13 conditions that will establish the basic elements of the project, for which regulatory approvals will be sought (the "Preferred Alternative Project") and

to establish the financial terms of the deal upon which the transaction documents will be prepared. The Port's prior Executive Director and the Developer entered into a non-binding Revised Development Memorandum on March 29, 2002. Subsequent action by the State Lands Commission caused the Developer to make significant changes to the Preferred Alternative Project site plan and program of uses described in the 2002 Development Memorandum raising concerns by the Port Commission and the community and making renegotiation of the 2002 Development Memorandum necessary.

In particular, based upon a letter from the California Attorney General's office and a June 2, 2003 resolution of the State Lands Commission endorsing a specific project proposal put forward by Developer (the "SLC Proposal"), the Developer submitted to the Port a project proposal that was consistent with direction from the State Lands Commission (the "SLC Proposal"). The SLC Proposal reflected the State Lands Commission's view as to the types of allowable public trust uses and the balance of trust and non-trust uses allowed on the Site. However, the SLC Proposal differed substantially from the project described in the Development Memorandum and failed to meet the 13 Conditions in many respects.

When the ERN was due to expire on January 13, 2004, the Port Commission, by Resolution 04-07, authorized a Second Amendment to ERN, extending the ERN through January 18, 2005. To address the concerns raised by the State Lands Commission and the Developer's proposed changes to the project, the Resolution imposed a condition requiring the Developer to obtain Port Commission endorsement of a Revised Development Memorandum, including a "Revised Preferred Alternative Project" showing a site plan and program of uses, and associated financial terms, consistent with the 13 Conditions. The Second Amendment to ERN provides that the ERN would automatically terminate if the Port Commission failed to endorse the Revised Development Memorandum by April 13, 2004. The Port Commission subsequently extended the time for endorsement of the Revised Development Memorandum through October 12, 2004.

The Port Commission conditioned the ERN extension upon certain conditions. These include the following: (a) providing $20,000 for an Embarcadero Transportation Study, with any unexpended balance to be refunded; (b) providing a non-refundable $50,000 to cover the costs of a work order from the Port to the Department of City Planning for the services of a historic preservation staff member; and (c) providing $30,000 to cover the real estate economics and related services to the Port by Bay Area Economics (BAE), required to complete the Performance Benchmarks under the extension. Developer made all requested payments. Results of the Embarcadero Transportation Study were presented to the Port Commission at its meeting of September 28, 2004. A summary is provided herein as Exhibit A.

III. CURRENT STATUS OF THE PROJECT

Since entering into the Second Amendment to ERN, the parties have been negotiating the terms of the Revised Development Memorandum. These negotiations have been conducted in the context of achieving the Port's primary goals for the Project, as stated in the following Mission Statement contained in the Amended RFP for this development opportunity:

> "The goal of this development is to create a unique and inviting waterfront mixed-use Recreation Project, integrating a varied mix of maritime and commercial uses and open space, including a major public plaza, oriented around active recreational pursuits. This mixed-use Recreation Project will provide a venue for all San Franciscans and Bay Area

residents to participate actively as individuals or in groups, in diverse amateur recreational sports, physical fitness and related activities while enjoying the Recreation Project's scenic waterfront setting. The major public open space, the Northeast Wharf Plaza, will be a city and regional resource. The plaza and the other open spaces included in the Recreation Project will create opportunities for engaging in and viewing active recreational activities while enjoying expansive Bay views. New opportunities for recreational boating and other water uses will be created, and maritime berthing compatible with the adjacent new uses at Pier 27 will continue, including temporary ceremonial ship berthing and "port of call" cruise ship berthing.

The Recreation Project will have a quality design that is authentic to the rich historic maritime industrial character of the Northeast Waterfront. The Recreation Project will be designed to respect this character, to create a focal point for new activity on the Northeast Waterfront, and to maximize public access to and enjoyment of the Recreation Project's spectacular waterfront setting. "

The focus of the negotiations has been to have the Recreation Project better meet the Mission and the 13 Conditions and address concerns raised by Port staff in response to issues raised by the Port Commission and the community. These negotiations also recognized the public trust restrictions emphasized by the State Lands Commission and the California Attorney General's office.

The parties have endeavored to reach agreement on a Revised Preferred Alternative Project that would meet both the 13 Conditions and remain consistent with the State Lands Commission's view on public trust consistency, including the permissible balance of trust and non-trust uses throughout the site. In addition, the parties sought a project that conforms to BCDC's "San Francisco Waterfront Special Area Plan" as amended, all other BCDC policies to which the project is subject, and the guidance provided by DRB in its review of the Recreation Project.

As a result of these negotiations, the RFP Proposal, as subsequently modified in the 2002 Development Memorandum and the SLC Proposal, has changed significantly. The site plan and use program presented to you on October 12, 2004 reflects the current Revised Preferred Alternative Project negotiated between Port staff and Developer. However, negotiations on the financial terms have not been completed, and it is for this reason the Staff supports the request for a short period of time to conclude negotiations on the remaining financial terms.

IV. DISCUSSION OF REVISED PREFERRED ALTERNATIVE PROJECT

The following discusses the negotiated changes in the current Revised Preferred Alternative Project compared to prior iterations, describes the elements of the current Revised Preferred Alternative Project, and analyzes its compliance of the current Revised Preferred Alternative Project with the 13 Conditions.

A. **Changes in the Project During Negotiations.** Table 1, below, compares the Revised Preferred Alternative Project currently proposed by Developer, against the April 2001 RFP Proposal and the 2003 SLC Proposal. A comparison of the RFP Proposal to the SLC Proposal shows the dramatic changes caused by the State Lands Commission review. In particular, the State Lands Commission endorsed a project that significantly reduced indoor

recreation, which it defined as a non-trust use, and significantly increased retail uses which it defined as a trust use.

Because the SLC Proposal failed to meet the Port Commission's objectives set forth in the 13 Conditions, the Port staff and the Developer have been actively negotiating a plan and use program that would meet the Port's objectives within the general parameters of the State Lands Commission's resolution. A comparison of the Revised Preferred Alternative Project with the prior iterations of the project shows the parties' success in achieving these objectives.

In particular, the parties have endeavored to achieve the following goals:

- Provide no more than the total amount of the Non-public trust gross leasable square feet (gsf) allowed by the State Lands Commission within the envelope of the entire project.
- Apply a building-by-building "test" to each proposal, to meet the general notion of a proportion of trust-to-non-trust by building.
- Re-examine the right balance of on-site short-term parking to Transit First solutions. The Embarcadero Transportation Study undertaken by the Port and the S.F. Department of City Planning helped buttress a change in the amount of short-term parking for the Site that was still consistent with the Transit First requirements of the City.
- Seek to re-examine the assumptions behind the revenue-generating uses -- needed to cover the costs of the YMCA (which is paying only $1.00/year in rent), provide rent to the Port, and meet the Developer's financial requirements -- and test in the light of current and improving market conditions.
- Respond to the issues raised by the Commission, the Northeast Waterfront Advisory Group, Fisherman's Wharf Advisory Group, and organized voices of the nearby business community and neighborhoods, concerned about parking and traffic congestion, competition with their uses, and environmental issues.

B. **Description of Revised Preferred Alternative Project** Attached as Exhibit B is the current site plan associated with the Revised Preferred Alternative Project, SK 149, as revised September 29, 2004.

The Project includes demolition or removal of:

- The non-historic Pier 27 Annex building (12,000 gsf) currently used as offices;
- The 1,400 sq. ft. non-historic addition to the Belt Railroad Office Building;
- The *Teatro Zinzanni* tent complex (18,000 gsf);
- The entire non-historic Pier 27 Terminal shed (233,000 gsf).

Preservation of historic buildings includes:

- The 1909 Mission Style Belt Railroad Office Building, which will be moved to the Northeast Wharf Plaza;
- The 1917-1918 connected piers of Piers 29, 29½ and 31 and the bulkhead building; the pier sheds on 29 and 31 and the connector wharf at 29½.

New construction includes:

Pier 27

- An 110,000 gsf indoor "YMCA on the Bay" will include a 3-pool aquatic center (a family pool with large water slides and other play structures, a six-lane 25-meter lap pool and a hydrotherapy pool). A climbing center, multi-court gymnasium, Child Watch area, area with simulators to learn windsurfing and sailing, a health and wellness center, conference rooms and locker rooms.

- An indoor/outdoor 25,000 gsf YMCA Skateplaza/BMX Track with features including covered-over vertical ramps and outdoor features resembling a street course skatepark. BMX biking and inline skating will be offered.

- The Outdoor YMCA space consists of two basketball courts totaling 36,000 gsf, a ChildWatch play area of 2,000 gsf, a YMCA terrace of 4,400 gsf and additional playing areas south of the building totaling 4,600 gsf, for a total of 47,000 gsf.

- A 32,800 sq.-ft. wind-protected "Sports Valley" located between the new YMCA Facility and the Pier 29 Shed with basketball courts and other courts, a rink size for use by inline, roller and, in winter, ice skating; and certain turf areas suitable for playing various field sports. The skating rink will be the only facility in the Sports Valley that will not be free. The removal of the Pier 27 shed will open up views of the Bay.

- A new 2.4 acre Northeast Wharf Plaza fronting The Embarcadero at Lombard Street will also provide expansive views of the Bay. The Plaza will be designed to be used both as a freestanding waterfront park and a water-oriented recreational facility, with areas for both passive and active recreation. The surface will be half lawn-like (closer to the YMCA Building) and half hardscape (closer to the water). The Belt Railroad Building will be moved to the edge facing The Embarcadero and will contain a two-story café with public restrooms. The Plaza will have 270-degree views to the Bay.

- A 4,200 square-foot Ferry/Water-Taxi Dock will be added at the western edge of Pier 27, against The Embarcadero.

Pier 29 and Marine Sports Basin

- A 161,200 sq.-ft. Marine Sports Basin with an additional 44,800 sq. ft. of floating docks for recreational use, a 3,000 gsf Boating Center, informational kiosk and short-term/overnight berthing of boats. It is the first marine recreational facility in San Francisco accessible without a membership. The Marine Sports Basin will be protected from surges by a wake attenuator device at the entrance to the Basin. Baffles will be placed beneath the piers to prevent small boats from getting beneath the piers.

- A two-story 12,500 sq. ft. restaurant pavilion at the eastern end.

Pier 31 - A new 650 ft-long berth at Pier 31 and public access walkway, neither of which now exists owing to the deterioration of the pier.

Active Recreation Uses

The Piers 27-31 Mixed-Use Recreation Project will result in a mix of indoor, outdoor and water-oriented active recreation uses. Referring to Table 1, above:

- Recreational Enterprises will occupy 287,525 gsf of indoor and outdoor space. Besides the programs noted above, indoor recreation programs in Pier 29 will include a Bowling Center and a variety of sports and recreation activities such as batting cages, billiards, dance and martial arts studios, golf instruction and simulators, slot car racing, and a surfing/wave-riding facility. A Maritime Exhibit Center will be located in Pier 31.

- Recreational Boating and Water Use, including the Water Basin, will occupy 206,650 gsf

Public Access

Some thirty-five percent of the ground level area of the Recreation Project will be public access, not including the Northeast Wharf Plaza. The public will be able to walk the entire perimeter of the piers more than 4,000 linear feet and will be able to gather at certain points within the project, including the Marine Sports Basin main dock. The Port's PortWalk, and the Bayside History Walk will be continued on this site.

Maritime Uses.

Maritime uses will include the creation of the Marine Sports Basin, a ferry/water taxi dock, maritime office space, and the retention of Pier 27 berth for temporary and ceremonial berthing.

Recreation-oriented retail

A maximum of 119,000 gsf of retail space will be allowed, including 5,000 gsf of kiosks. Of this retail space, the Port proposes at least 95,000 gsf, or 80%, will be occupied by recreation-related uses, that will provide equipment, services and information for the various sports carried out throughout the Recreation Project. The final percentage to be included in the Revised Development Memorandum has not yet been agreed upon between Port staff and the Developer. The recreation retail space will generally be located in the Bulkhead Building with additional space in Pier 29.

Cafes and Restaurants

Cafes and restaurants will occupy 36,300 gsf, offering quick snacks and full-service dining. Formula fast food restaurants will be prohibited, and no more than 50% of restaurant and café space may be occupied by formula full service restaurants.

General Office and Parking. A maximum of 164,700 gsf of general office space will be allowed, which will be located in Piers 31, and on portions of the 2nd floor of the Bulkhead Building. Short-term, valet-assisted parking of 415 spaces will be on the upper levels of Pier 29 and the Bulkhead Building. Initially, 518 parking spaces, occupying 139,700 gsf, will be provided. Of

this, 22,000 gsf may be converted to office space in the future, reducing the parking to 117,700 gsf, or 415 spaces. In no event will general office space exceed 164,700 gsf. (The analysis shown in Table 1 assumes the maximum allowed space of 164,700 gsf and the minimum parking use of 117,700 gsf).

C. Analysis of Project Compliance with the 13 Conditions

The following discussion analyzes the compliance of the Revised Preferred Alternative Project and the terms of the Development Memorandum with the 13 Conditions.

1. ***Condition 1: The lease should include very specific use requirements for creating and retaining the RFP Required Uses throughout the lease term.***

The Required Uses set forth in the Amended RFP consist of Recreational Enterprises, Recreational Boating & Water Use, Open Space, Public Access and Temporary and Ceremonial Berthing. Table 1 notes these Required Uses[1] and compares the project as it has evolved from the RFP Proposal, through the SLC Proposal, to the current Revised Preferred Alternative Project submitted September 27, 2004.

The Required Uses currently consist of 861,200 gsf, including the Northeast Wharf Plaza, and 756,900 gsf excluding the Northeast Wharf Plaza. Required Uses without the Northeast Wharf Plaza have thus increased 98,104 gsf since the RFP Proposal, representing a 15% increase. The Required Uses now comprise 60% of the total space in the Recreation Project if the Northeast Wharf Plaza is included and 52% if this Plaza is not included. (Note that the Developer's Response to the RFP Proposal proposed a NE Wharf Plaza some 69,940 gsf larger than called for in the BCDC "Special Area Plan". In the current plan, about 33,000 of that gsf has been converted to Outdoor Active Recreation, chiefly in the Sports Valley, with active courts sports, a multi-use rink, and turf usable for a range of sports.)

The lease will require the Developer to obtain the Port Commission's prior written consent for any changes in use. The Port Commission may reasonably withhold its consent if it finds that the change in use would materially reduce the square footages of the Required Uses or their affordability, introduce new non-Active Recreation-related uses, or adversely affect the public trust consistency of the Project as a whole. The Port retains the right to approve all recreation subleases to ensure that they are being entered in compliance with the lease terms and conditions, including the use provisions.

[1] For purposes of calculating the Required Use space changes through time on Table 1, the Maritime Shipping and Water Taxi Dock have not been included; however, the State Lands Commission did recognize that Pier 27 and the water area needed to dock vessels was a public trust use.

PIERS 27-31 MIXED USE RECREATION PROJECT

TABLE 1

DEVELOPMENT PROGRAM Gross Leasable S.F. (gsf)	RFP RESPONSE 4/1/01 Staff Report for 9/25/01 *(1)*	STATE LANDS 6/2/03 Staff Report for State Lands	DIFF DIFF FROM ORIGINAL	% DIFF FROM ORIGINAL	CURRENT 9/27/04 Mills Submittal	DIFF DIFF FROM STATE LANDS	% DIFF FROM STATE LANDS
A. KEY ELEMENTS							
1. PARKING							
Parking (imputed in 4/1/01)	42,911	61,000	18,089	42%	113,800	52,800	87%
Parking in Sports Valley	No	No			No		
No. of Parking Spaces	170	212	42	25%	415	203	96%
2. PROGRAM SPACE w/out BASIN:*(2)*							
Indoor YMCA	110,000	110,000	0	0%	110,000	0	#DIV/0!
Indoor Non-YMCA Recreation	46,755	16,625	-30,130	-64%	72,725	56,100	0%
Outdoor Recreation w/o Water Basin	72,281	122,500	50,219	69%	150,250	27,750	23%
General Office Only (not Maritime)	271,963	200,000	-71,963	-26%	164,700	(35,300)	-18%
Maritime Office	0	5,800			5,800		
Retail (Including kiosks)	110,600	171,300	60,700	55%	119,000	(52,300)	-31%
Restaurants & Cafes	55,308	51,400	-3,908	-7%	36,300	(15,100)	-29%
Total Program Space w/o Basin *(2)*	666,907	677,625	10,718	2%	658,775	(18,850)	-3%
3. OTHER CALCULATIONS:							
All Space w/ Basin, NE Plaza & Parking	1,465,798	1,445,825	-19,973	-1%	1,446,100	275	0%
All Space w/o NE Wharf Plaza	1,291,558	1,342,125	50,567	4%	1,341,800	(325)	0%
Total Retail & Restaurant	165,908	222,700	56,792	34%	155,300	(67,400)	-30%
Total Indoor Program Space	612,626	555,125	-57,501	-9%	503,525	(51,600)	-9%

PIERS 27-31 MIXED USE RECREATION PROJECT TABLE 1

DEVELOPMENT PROGRAM Gross Leasable S.F. (gsf)	RFP RESPONSE 4/1/01 Staff Report for 9/25/01 *(1)*	STATE LANDS 6/2/03 Staff Report for State Lands	DIFF DIFF FROM ORIGINAL	% DIFF FROM ORIGINAL	CURRENT 9/27/04 Mills Submittal	DIFF DIFF FROM STATE LANDS	% DIFF FROM STATE LANDS
B. REQUIRED & ENCOURAGED USES							
1. ALL REQUIRED USES							
Public Access & NE Wharf Plaza							
-- NE Wharf Plaza	174,240	103,700	-70,540	-40%	104,300	600	1%
--Public Access	261,760	272,500	10,740	4%	262,725	(9,775)	-4%
Recreational Enterprises *(3)*							
--Indoor recreation	156,755	126,625	-30,130	-19%	182,725	56,100	44%
--Outdoor recreation w/o Rec Boating	72,281	96,500	24,219	34%	104,800	8,300	9%
Recreational Boating *(4)*							
--Marine Sports Basin w/o Water	0	26,000	26,000	0%	45,450	19,450	75%
Water Basin	168,000	168,000	0	0%	161,200	(6,800)	-4%
Total w/out Temporary & Ceremonial Berthing *(5)*	**833,036**	**793,325**	**-39,711**	**-5%**	**861,200**	**67,875**	**9%**
% of Total Space w/ NE Wharf Plaza	**57%**	**55%**	**-2%**	**-3%**	**60%**	**5%**	**9%**
Total w/out NE Wharf Plaza	**658,796**	**689,625**	**30,829**	**5%**	**756,900**	**67,275**	**10%**
% of Total Space w/out NE Wharf Plaza	**45%**	**48%**	**3%**	**6%**	**52%**	**5%**	**10%**

PIERS 27-31 MIXED USE RECREATION PROJECT **TABLE 1**

DEVELOPMENT PROGRAM Gross Leasable S.F. (gsf)	RFP RESPONSE 4/1/01 Staff Report for 9/25/01 *(1)*	STATE LANDS 6/2/03 Staff Report for State Lands	DIFF DIFF FROM ORIGINAL	% DIFF FROM ORIGINAL	CURRENT 9/27/04 Mills Submittal	DIFF DIFF FROM STATE LANDS	% DIFF FROM STATE LANDS
2. RECREATION USES							
Total Rec Enterprises & Rec Boating (4)							
w/out Water Basin, Berthing or Taxi	229,036	249,125	20,089	9%	332,975	83,850	34%
% of Total Program Space w/o Basin	**34%**	**37%**	**2%**	**7%**	**51%**	**14%**	**37%**
All Indoor Rec, including YMCA	156,755	126,625	-30,130	-19%	182,725	56,100	44%
% of Total Indoor Program Space	**26%**	**23%**	**-3%**	**-11%**	**36%**	**13%**	
C. PERMITTED USES							
COMMERCIAL USES ONLY							
General Office	271,963	200,000	-71,963	-26%	164,700	(35,300)	-18%
Maritime Office	0	5,800	5,800	0%	5,800	0	0%
Retail including kiosks	110,600	171,300	60,700	55%	119,000	(52,300)	-31%
Restaurants/Cafes	55,308	51,400	-3,908	-7%	36,300	(15,100)	-29%
Total Commercial Uses	**437,871**	**428,500**	**-9,371**	**-2%**	**325,800**	(102,700)	-24%
% of Total Space w/o NE Wharf Plaza	**34%**	**32%**	**-2%**	**-6%**	**24%**	**-8%**	-24%
% of Total Space with NE Wharf Plaza	**30%**	**30%**	**0%**	**-1%**	**23%**	**-7%**	-24%
NOTES							
(1) Staff Report plus imputed parking							
(2) Program Space ***excludes***:	Maritime berths, NE Plaza, public access/open space, parking & miscellaneous service						
(3) Recreational Enterprises:	Indoor, Outdoor Rec; no Rec Boating and Water Basin						
(4) Recreational Boating:	Rec Boating w/o Water Basin						
(5) Temp/Ceremonial Berthing on Pier 70	133,900	138,000			133,900	(4,100)	-3%
Water Taxi (Encouraged Use)	4,200	0			4,200	4,200	0%

The following discusses the Required Uses by category:

a. ***Recreational Enterprises and Recreational Boating.*** Recreational Enterprises and Recreational Boating and Water Use currently comprise 332,975 gsf on the Site. Combined, uses in this category have increased by about 103,939 gsf from the RFP Proposal, and, as a percent of Program Space[2], this category has grown from 44% in 2001 to **51%** in the current plan, excluding the Water Basin. If the Water Basin surface area is counted in this category, total Recreational Enterprises and Recreational Boating totals 494,175 gsf, an overall increase of 161,200 gsf from the RFP Proposal **or 60%.** It is important not to discount the importance of the Water Basin in meeting the 13 Conditions, because the Water Basin is a Required Use per the RFP, and to activate the Water Basin for this use, some $10 million of investment is needed to build a wake attenuator, 44,800 gsf of floating docks, and for baffles beneath the piers to keep boats from being caught beneath the piers. These investments are essential for implementing America True's water recreation program.

Of the total amount of Recreational Enterprises, 182,725 gsf is indoor recreation, which has been of particular interest to the community and the Port. The indoor portion of the YMCA program has remained at approximately 110,000 gsf. However, the non-YMCA Indoor recreation was dramatically affected by the State Lands Commission ruling of June, 2003. The State Lands Commission found that the maritime nature of the YMCA facility met the public trust doctrine, but it did not consider the other indoor recreation uses to be public trust uses because they were not "water-oriented" or "water-enhanced".

As a result of the State Lands Commission action, the SLC Proposal reduced Indoor non-YMCA recreation space from 46,755 to 16,625 gsf, a loss of 30,130 gsf from the RFP Proposal. The current Revised Preferred Alternative Project has increased the amount of indoor and non-YMCA recreation space to 72,725 gsf representing a 56% increase from the RFP Proposal and a 337% increase from the SLC Proposal. The non-YMCA Indoor recreation will be located in Pier 29 and the Bulkhead Building.

To insure that the Recreational Enterprise uses are maintained during the lease term, the Revised Development Memorandum will provide that the lease require the Developer to maintain throughout the term of the lease, a maritime YMCA facility of not less than 110,000 gsf, plus no less than 72,725 gsf of indoor space devoted to the participation in, instruction of and direct support (other than the sale of goods) for Active Recreation. "Active Recreation" uses are defined as team and individual sports and personal fitness activities and a limited amount of games and hobby activities (not to exceed 15,000 gsf). In addition, the lease will require the Developer to maintain throughout the lease term, no less than 104,800 gsf of outdoor Active Recreation uses, which include the 47,000 square foot outdoor portion of the YMCA, the 32,800 square foot Sports Valley, and the 25,000 square foot outdoor portion of the indoor-outdoor Skateboard Park/BMX Track. The Port retains the right to approve all recreation-related subleases to ensure that they are being entered in compliance with the lease terms and conditions, including the use provisions.

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[2] Program Uses exclude space for Maritime Shipping, NE Wharf Plaza, Public Access/Open Space, Parking, Miscellaneous Service and the open water areas of the Marine Sports Basin (the docks and the Boating Center, including its special kiosk, are included as Program Uses). The remaining GSF is what is available to "program" for one or another use.

The presence of the YMCA facility is also assured in that the YMCA may not assign its operations to another entity except for a non-profit approved by the Port Commission that would continue to operate the facility as an affordable maritime-related recreation facility. If the YMCA or its approved assignee ceases to operate the facility for a period of 180 days or more, the Port may recapture the facility and the adjacent Sports Valley.

With respect to Recreational Boating and Water Use, the Revised Development Memorandum will provide that the lease will require Developer to maintain throughout the term of the lease, a 206,000 square foot Marine Sports Basin, located between Piers 29 and 31, fully programmed by the America True Foundation or equivalent non-profit operator. The Marine Sports Basin shall contain at least 44,800 gsf of floating docks for marine recreation uses, and shall be served by a 2,000 square foot Boating Center and 625 square foot Boating Kiosk. In addition, the Developer must provide transient berthing for recreational boats within the Marine Sports Basin, and a Water Taxi landing and area for Water Taxi waiting and queuing, measuring no less than 4,200 gsf.

b. Open Space/Public Access. The Revised Development Memorandum will require the Developer to maintain throughout the term of the lease, the Northeast Wharf Plaza (at 104,000 gsf), and public access on the Site of at least 35% of the Site footprint in accordance with BCDC requirements (estimated at 263,000 gsf).

c. Temporary and Ceremonial Berthing. The Revised Development Memorandum will provide that the Port will reserve the rights throughout the lease term to the northerly 900 feet of the Pier 27 berth for temporary and ceremonial berthing.

2. ***Condition #2. The lease should include very specific restrictions on the use of the retail space, restricting retail uses to active recreation-related uses and a very limited amount of other retail space.***

The Revised Development Memorandum will provide that the Developer shall limit retail uses to no more than 119,000 leaseable gsf, which amount includes 5,000 leaseable gsf of retail kiosks on the Site. It is reasonable for the Port to withhold its consent to a change in use that would increase retail use on the Site above this amount. Of this amount, Developer must insure that all but a limited percentage of the retail is "Recreational Retail." Recreational Retail is defined as retail use that sells goods and/or services primarily related to or oriented toward Active Recreation. The parties have not yet agreed upon the percentage of required Recreational Retail, other than to agree that non-Recreational Retail will be limited] Temporary variances may be allowed to the extent that no creditworthy recreational retail tenants can be found at commercially reasonable rates, but at no time will the overall ratio fall below 50% or will such temporary sub-leases be allowed to have terms in excess of 5 years.

In order to maximize the type and quality of Recreational Retail stores, Developer must prepare a Recreation Retail marketing plan, which will be reviewed annually with the Port, designed to encourage a wide range of local and regional recreation-related retailers, offering sales, rentals, instruction, and tours, and relating to Active Recreation activities occurring on the Site. The Port retains the right to approve all retail-related subleases to ensure that they are being entered in compliance with the lease terms and conditions, including the use provisions.

3. *Condition #3: There should be commitments from the developer to recreational programs and activities that are free to the public in both the indoor and outdoor spaces.* The Revised Development Memorandum will provide that use of the Sports Valley and Marine Sports Basin shall be free to public except for programs directly run by YMCA or America True, the skating rink, and facilities requiring reservation & league play; however fees for reservation and league play shall be limited to direct and administrative costs for running such programs. In addition, the lease will contain affordability principles that must be maintained, including fees of the YMCA not to exceed other YMCA facilities in San Francisco, and the offering of grants, scholarships and other mechanisms to make the Active Recreation activities available to those that could not otherwise afford them.

4. *Condition #4: The maritime and recreational boating elements need to be further defined, clarified, and such uses should be developed to the maximum feasible extent.* The Marine Sports Basin program to be run by America True has now been well-defined. Program offerings will include sailing, kayaking, dragonboat training, whaleboating, sailboating and other sports events. Regattas are planned. "Mediterranean mooring" along Pier 29 of approximately 42 boats up to 40' long each will be permitted for temporary and overnight use without requiring membership and only modest berthing fees. The linkage of programs between the Marine Sports Basin and the YMCA Aquatic Center, Climbing Center, training and conference rooms has been strengthened. A Boating Center, storage for boats and equipment and a communications plan for signaling requirements for boats entering and leaving the Basin has been established.

5. *Condition #5: Comprehensive detailed planning, including design and programming, of the Northeast Wharf Plaza is required to make this area usable to the public.* Several reviews of the project before the WDAC/DRB has resulted in a design that is broadly supported broadly. Because Pier 27 will be demolished, it was possible to re-conceive the physical orientation of the Plaza, providing greatly improved views of the Bay. Both passive and active areas are planned and the relocated Belt Railroad Building will help activate this Plaza.

6. *Condition #6: The developer should be responsible for all development costs of the project, including all utilities, public restrooms and open space, excluding only the rent credits as provided in the RFP (50% of the Base Rent for the first three years).* Satisfaction of this condition will be discussed with the Port Commission upon completion of negotiations of the financial proposal.

7. *Condition #7: The developer should take the appropriate steps necessary to seek 20% Investment Tax Credits for the Rehabilitation and Restoration of Historic Structures to insure the preservation of the site's eligible structures in accordance with the Secretary of the Interior's Standards.* The Historic Tax Credit Part II Application for the Recreation Project was resubmitted in June, 2004. Both the California State Historic Preservation Office and the National Park Service approved the proposal, with only a few issues remaining to be decided, which await final design. No serious issues remain to be negotiated while awaiting that final design.

8. *Condition #8: Negotiations required regarding terms of Port participation in sale and financing proceeds, and participation in historic tax credits.* Satisfaction of this condition will be discussed with the Port Commission upon completion of negotiations of the financial proposal.

9. *Condition #9. Transportation issues:*

a. Through the environmental review process, specific transportation impacts and required mitigation measures need to be identified. The Environmental Impact Report will identify adverse impacts and suggest mitigation measures. However, the Draft Environmental Impact Report cannot be completed until the Revised Development Memorandum is endorsed and describes the project to be analyzed in the EIR.

b. Parking should be for short-term use only (not employee parking) with priority for users of the recreation facilities. The Revised Development Memorandum requires the will require the lease to include this requirement.

c. The developer needs to work with the Port, MUNI and the Embarcadero Task Force to expand public transportation to the Site. See Exhibit A, attached, which summarizes the Port's Embarcadero Transportation Study. Developer provided $20,000 to fund the study, which was jointly conducted by the Port and the S.F. Department of City Planning. The Developer has agreed to provide $1.3 million to MUNI for the purchase and rehabilitation of up to four Presidential Conference Street Cars (historic trolleys). The Developer also will pay the recently enacted Transit Impact Development Fee.

d. The developer must develop and implement an effective Transportation Demand Management Program. The Revised Development Memorandum will include a Transportation Demand Management Program to be implemented as part of the lease.

10. *Condition #10. The development program should be changed to better address Required Uses, limit Permitted Uses so that they are ancillary, and eliminate uses not permitted.* [Overall, see Table 1 above for a comparison of the RFP Proposal to the current Revised Preferred Alternative Project]

These changes should include:

a. Significantly reduce the amount of office, retail, and eating and drinking space. General office space has been reduced 39% below the RFP and 18% below the SLC Proposal. (The 5,800 gsf of Maritime office is a trust use and is excluded from this calculation.) The SLC Proposal increased Retail and Restaurants/Café by a total of 34%; that has now been reduced by 30%, so that the current proposal has 10,608 gsf less of combined retail and restaurant than in the RFP Proposal. The current proposed restaurant/café space is34%below the RFP Proposal and 29% below the SLC Proposal.

b. Expand the interior space devoted to Recreational Enterprises. The SLC Proposal cut Recreational Enterprises by 19%. Recreational Enterprise space has now been restored to 44% more than the SLC Proposal endorsed by the State Lands Commission. The Recreation Enterprise space has increased by 17% over the RFP Proposal.

c. Add other or restructure Recreational Enterprises, so that all the active recreation uses are not operated by a membership club (San Francisco YMCA). A total of 72,275 gsf of interior space will be devoted to Recreational Enterprises not operated by the YMCA. Moreover, this condition was intended to address a concern that the Active Recreation uses be available to all, not just YMCA members. Port staff have determined that, so long as the YMCA is not run exclusively as a membership club, there would be advantages and efficiencies in allowing an experienced operator such as the YMCA to manage and operate other Active Recreation uses on the

Site, so long as they are open to all. This also enables achievement of Condition 3 above..

d. Do not add or expand other Permitted Commercial Uses, such as Assembly & Entertainment or Visitor Services. These uses have been eliminated.

e. Eliminate the Artisans' Gallery, which is not a permitted use. This use has been eliminated.

11. ***Condition #11. The location of uses needs to be reorganized so that the entire open space network is activated. Commercial uses and open space need to be better integrated. Site planning changes are needed to address wind and shadow affects resulting from removal of the Pier 27 shed and construction of new building, as well as to address design guidelines.*** The WDAC/DRB review resulted in enhancing the passageways linking up from Embarcadero through the YMCA, as well as widening portals through the main 29 and 31 from Herb Caen Way. Eateries have been placed adjacent to active areas on Pier 29, the Marine Sports Basin, Pier 31 and the Bulkhead and Belt Railroad Bldg. Passageways through the buildings have a mix of retail and recreation to make the experience more interesting. Wind/shadow effects will be studied in the EIR.

12. ***Condition #12. Specific fund-raising milestones are required for San Francisco YMCA. Satisfactory guarantees of completion, including the YMCA building, are required from an entity other than one whose only asset is the lease for the Site.*** The YMCA has submitted periodic status reports on their fundraising activities. The Revised Development Memorandum will contain a provision requiring The Mills Limited Partnership, as parent company of the Developer, to guarantee the concurrent completion of the YMCA facility with the rest of the Recreation Project without any effect on the Port's participation rent or other consideration, and without any effect on the long-term presence or economic viability of the YMCA for the entire lease term.

13. ***Condition #13. The Base Rent, percentage rent and other rental must be at fair market and must comply with the terms indicated in the RFP.*** Satisfaction of this condition will be discussed with the Port Commission upon completion of negotiations of the financial proposal.

V. STATUS OF PERFORMANCE BENCHMARKS.

As described above, the ERN contains a number of Performance Benchmarks for the Developer to meet as a condition of continuing in exclusive negotiations on the Recreation Project . The following is a list and status of the current Performance Benchmarks, adopted by the Port Commission by Resolution No. 04-50. The full text is provided in Exhibit C.

1. Tentative Schedule. The Developer met this requirement.

2. Changes to "Preferred Alternative Project". Developer and Port staff have met weekly, to review evolving site plans and programs of uses. The latest site plan is SK 149 as revised September 29, 2004, on which this Staff Report is based.

3. Revised Development Memorandum. Port staff and Developer have agreed to almost all of the issues in the Revised Development Memorandum, except for some provisions relating to the Port's participation rent and the percentage of Recreation-oriented Retail that shall be required in the project

3a. **WDAC/DRB Review**. The Port staff has recommended an extension to meeting this date until January 18, 2005 (if the Port Commission endorses the Revised Development Memorandum by November 9, 2004).

3b. **Submittal of Final Revised Preferred Alternative Project.** Developer submitted the Final Revised Preferred Alternative project on August 16, 2004, and has subsequently further amended the site plan, tables of uses and financial terms.

3c. **Submittal of Final Financial Proposal.** Developer submitted a Final Financial Proposal on September 17, 2004; and has subsequently further amended the financial terms.

3d. **State Lands Commission Staff**. The Port agreed to an extension to meeting this date until after the Port Commission has approved the project.

4. **Community Outreach.** Developer met with Northeast Waterfront Advisory Group and Fisherman's Wharf Advisory Group as required.

5. **YMCA Fundraising.** As required, the Developer presented a YMCA report to the Port in February, 2004.

6. **Presentations to Port Commission.** A presentation is scheduled for October 12, 2004.

7. **Lease Disposition and Development Agreement and Lease.** Will occur following completion of the EIR and Benchmarks #1 through #6.

VI. STAFF RECOMMENDATION

Section 4.e of the ERN states that the Port Commission reserves the right, at its sole discretion, "to waive or extend the times of performance of the Initial Performance Benchmarks and Additional Performance Benchmarks...."

In order to allow the parties to complete negotiations on the financial terms, Port staff recommend an extension of the deadline for Port Commission endorsement of the Revised Development Memorandum until November 9, 2004. In addition, should the Port Commission endorse the Revised Development Memorandum as of November 9, 2004, Port staff recommends an extension of the following two Performance Benchmarks until January 18, 2005: (1) presentation of the revised site plan to the WDAC and the DRB; and (2) presentation of the changes to the site plan to State Lands Commission staff.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-83

WHEREAS, On January 13, 2004, the Port Commission approved by Resolution by 04-07, the Second Amendment to the Exclusive Right to Negotiate ("Second Amendment ERN") which extends the June 13, 2001 Exclusive Right to Negotiate (ERN) with S.F. Piers 27-31 LLC ("Developer") to January 18, 2005; and includes certain Performance Benchmarks attached thereto as Exhibit 1 (the "Performance Benchmarks"); and

WHEREAS, Performance Benchmark #3 requires the Developer to obtain the Port Commission's endorsement of a Development Memorandum, including a Revised Preferred Alternative Project and financial terms, in a public hearing no later than April 13, 2004; and

WHEREAS, On April 13, 2004 the Port Commission approved Resolution 04-32, to extend the times of performance of Performance Benchmark #3 and Performance Benchmark #6 from April 13, 2004 to June 8, 2004; and

WHEREAS, On June 8, 2004, the Port Commission approved Resolution 04-50, extending the time for Performance Benchmark #3 until October 12, 2004; and

WHEREAS, Performance Benchmark #3.a requires the Developer to present the revised site plan to the Port's Waterfront Design Advisory Committee and the BCDC Design Review Board, no later than August 16, 2004; and

WHEREAS, Performance Benchmark #3.d requires the Developer to present changes to the site plan to State Lands Commission staff no later than August 16, 2004; and

WHEREAS, Since June 8, 2004, the Developer and Port staff have been negotiating a revised site plan and the financial terms and conditions of a Revised Development Memorandum but, to date, the Port staff and Developer have not reached full agreement on the terms of the Revised Development Memorandum; and

WHEREAS, Section 4.e of the ERN gives the Port Commission the right, at its sole discretion, to waive or extend the times of performance of the Initial Performance Benchmarks and Additional Performance Benchmarks; now, therefore, be it

RESOLVED, That the Port Commission hereby authorizes the Executive Director of the Port to extend the Time for Performance of Benchmark #3 (endorsement by Port Commission of a Revised Development Memorandum) through November 9, 2004; and be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director of the Port to extend the Time for Performance of Performance Benchmark #3.a (presentation to the WDAC and DRB) and Performance Benchmark #3.d (presentation to the State Lands Commission staff) through January 18, 2005 (subject to delays outside the control of Developer); and be it further

RESOLVED, If the Port Commission fails to endorse the terms of the Revised Development Memorandum as required by Performance Benchmark #3 on or before November 9, 2004, such failure will result in the termination of the ERN at such time; and be it further

RESOLVED, That the Executive Director is hereby directed to take all such further actions, including execution of documents in consultation with the City Attorney, as are necessary to implement the intent of this Resolution; and be it further

RESOLVED, That the Port will not enter into a final Lease or Lease Disposition and Development Agreement for the Project which would allow for its development until there has been complete compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 12, 2004.

_____

Secretary

EXHIBITS

EXHIBIT A Summary of the Joint Port-City Embarcadero Parking & Transport Analysis

EXHIBIT B Site Plan of Revised Preferred Alternative Project

EXHIBIT C Performance Benchmarks Required of the Second Amendment to the ERN (June 6, 2004)

EXHIBIT A

Summary of the Joint Port-City Embarcadero Parking & Transportation Analysis

Some members of the public have expressed concern regarding the traffic congestion now experienced along The Embarcadero, and that the Recreation Project when combined with the proposed Embarcadero Hotel Project will worsen that condition. To respond, the Port Commission approved a request to provide additional funds from the project developers to supplement efforts already underway by the Port and San Francisco Planning Department. Thus, the Port Commission required SF Piers 27-31, LLC (The Mills Corporation) and Stanford Hospitality, the hotel developer, to provide funding to study cumulative parking needs along the entirety of The Embarcadero associated with all projected Port development -- not only these two projects but all other development that is reasonably likely to occur.

At the direction of the Port, Mills agreed to pay $20,000 to two transportation firms selected by the Port -- Wilbur Smith and Associates and Nelson Nygaard Associates -- to produce analyses that were directed by the Port and Planning Department. Stanford Hospitality will reimburse Mills for a portion of that work.

In September, Port staff and the consultants made presentations regarding the study and results to the Northeast Waterfront Advisory Group, the Fisherman's Wharf Advisory Group and the Port Commission. A written report on this study is nearly complete.

As stated, the scope of The Embarcadero Parking and Transportation study is not limited to the Recreation Project and Stanford Hospitality project sites. Instead, it examines existing and future parking supply and demand projected for the entire waterfront from Pier 35 to China Basin. The study takes into account:

- New development projects forecast by the Port of San Francisco over the next 10-15 years;
- Existing and planned expansion of MUNI public transit service;
- Improved pedestrian access along The Embarcadero.
- Implementation of current Port and City policies that promote "Transit First" (i.e., greater use of public transit over single-occupancy cars) and shared parking (to take advantage of differences between day-time and night-time demand and to shift parking away from use by commuters to short-term visitors) .[3]

To determine existing and future parking demand conditions, the analysis used standard Planning Department-approved methodologies. Alternative scenarios were then developed that analyzed how demand would be reduced as a result of actions by the Port, City and individual developers

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[3] "The [Northeast] Waterfront Special Use District #1allows the City's Zoning Administrator to grant relief from the requirements of the Planning Code based on the unique characteristics of the waterfront. The Embarcadero transit improvements of recent years make it easier to apply Transit First policies on the waterfront. As a result, the Port's projects at Pier 1, the Ferry Building and Piers 1.5-3-5 have all sought, and received, this exception to the Zoning Code procedure. Section 161(f) of the Planning Code Section specifically addresses the Port."

to implement the Transit First-related policies in a more determined fashion, and to carry out additional new strategies as part of individual projects.

This study of how more policies and specified strategies can be more actively applied to manage parking demand is not included in environmental review of the Piers 27-31 Recreation Project and Embarcadero Hotel projects prepared by the City pursuant to the California Environmental Quality Act (CEQA). Therefore, The Embarcadero Parking and Transportation Study should be seen as a supplement to – not a replacement for -- normal CEQA traffic circulation, transit and pedestrian impact analyses undertaken by the Planning Department as the City's lead agency under CEQA.

Study Approach.

A paramount goal of The Embarcadero Parking and Transportation Study was to see what strategies might reduce parking demand and congestion through a combination of parking pricing, improved MUNI and other public transit improvement, and more aggressive parking management practices to reduce long-term (commuter) parking in favor of short-term (visitor) parking.

The study assumed the timeframe and cumulative development activity that is normally incorporated into a CEQA analysis. Development forecast to occur on Port properties was then broken down by sub-area. (Both the Piers 27-31 project and Embarcadero Hotel projects were included within the sub-section of the analysis dealing with the Port's Northeast Waterfront subarea.) The study looked at both parking demand and parking supply, both under existing conditions and in the future, assuming reasonably likely the development activity.

In all cases, the study focussed on parking facilities and City street parking, available for general use by the public, on both Port and non-Port sites, that are within a walkable distance of the waterfront. Finally, the study used existing parking utilization rates at the existing parking facilities.

Four future parking demand scenarios were then tested:

1) Scenario 1 - How would future parking demand change, assuming no changes in existing travel behavior patterns (which result in long-term and short-term parking demand)?;

2) Scenario 2 - How would future parking demand change, assuming only short-term parking demand was accommodated, as defined in Item 1?;

3) Scenario 3- How would future parking demand change if changes in travel behavior patterns similar to those in the C-3 Downtown core districts (i.e., the downtown financial districts, with high population densities and relatively little parking) were to occur?; and

4) Scenario 4 - How would future parking demand change assuming: (a) greater restrictions (parking pricing) to discourage commuter parking on Port-owned parking lots; (b) improved parking sharing and management strategies; and (c), and full implementation by MUNI of its short-range transit improvement plan?

The results, below, show the existing and future parking utilization ratios within the Northeast Waterfront subarea, and then what the model forecast would happen to demand under the four scenarios:

Existing	Scenario 1	Scenario 2	Scenario 3	Scenario 4
72%	127%	93%	105%	92%

Thus, the parking demand would be lowest under Scenario 4 (multiple strong policy implementation) and highest under Scenario 1 (no change from the existing pattern).

Changes to the Northeast Sub-Area Findings per Recent Changes to the Piers 27-31 Mixed-Use Recreation Project.

The initial parking assumptions for the Mills project assumed that 600 off-street parking spaces would be provided on the project site. In recent negotiations with the Port, Mills has revised its proposal to reduce on-site parking to 415 spaces. These spaces would be priced on an hourly basis to discourage long-term parking.

However, through separate negotiations with Hornblower Excursions, Mills and Hornblower now propose to share use of 114 parking spaces currently are under lease to Hornblower at Pier 31½, and used to support its excursion boat business. This sharing is feasible because the peak use periods of the two uses do not coincide. NOTE: Because the lot is not currently open to the general public, The Embarcadero Transportation Study had not counted it in either the existing or future parking supply count.

In addition, the Port negotiations with Mills have resulted in revisions to the site plan that greatly reduces the amount of commercial space included in the project. As shown below, these changes in the development program and parking supply yield a slight modification in the parking utilization ratios for the Northeast Waterfront subarea as follows:

Existing	Scenario 1	Scenario 2	Scenario 3	Scenario 4
72%	131%	96%	108%	95%

The combination of: (a) changing the use program for the project; (b) reducing almost 200 spaces from Piers 27-31 project on-site; and (c) adding the spaces at the Hornblower site for shared parking would mean that parking utilization would be highest, with a resulting deficit of parking spaces under Scenario 1, the current situation continued without policy changes. The utilization would fall to the lowest level under Scenario 4, which calls for multiple strong Transit First policy implementation.

GROUND LEVEL PLAN
San Francisco Piers 27-31
SITE PLAN
PIERS
27-31

EXHIBIT C
PROPOSED ADDITIONAL AND REVISED PERFORMANCE BENCHMARKS FOR THE SECOND AMENDMENT OF THE ERN

[Capitalized terms have the meanings ascribed to them in the Exclusive Right, or if not defined therein, in the RFP]

BENCHMARK	TIME FOR PERFORMANCE
1. **TENTATIVE SCHEDULE.** Developer and Port will agree on a tentative Schedule for the development of the Project including, without limitation, a timetable for Project design, regulatory approvals, community outreach, construction and lease commencement date; such schedule to be revised, as the project progresses.	Developer will continue to submit revised Schedules to Port staff, beginning no later than **June 18, 2004,** said schedule to be agreed upon by Port staff and Developer not less than every 30 days thereafter, unless requested by the Port to update in response to a significant event affecting the project.
2. **CHANGES TO PREFERRED ALTERNATIVE PLAN.** If the Preferred Alternative Plan is substantially modified after satisfaction of Performance Benchmark #3, particularly as a result of direction provided from a regulatory entity empowered to authorize such a change, the Developer shall provide pertinent information to illustrate those changes, including, but not limited to: (a) schematic or conceptual designs, general site plans, elevations, and perspective drawings, models, photographs or other representations showing the general design and space allocation; (b) general location of uses; (c) circulation plan; (d) landscaping; (e) relationship of the Project to its surroundings (such designs shall directly address the Port Conditions pertaining to the design and programming of the Project); (e) development costs projections; and (f) preliminary cash flow projections (including development costs and detailed operation pro formas for the first 10 years of operation). Such information shall address any changes affecting the YMCA Facility and the Northeast Wharf Plaza, as well as any changes to the Integrated Recreation Plan prepared under the First Amendment to the ERN Agreement.	(a) through (d) within 45 days of a substantial change, (e) and (f) within 60 days of a substantial change.
3. **REVISED DEVELOPMENT MEMORANDUM.** The Port Commission	**No later than October 12, 2004.**

BENCHMARK	TIME FOR PERFORMANCE
has taken action in a public meeting endorsing a revised Development Memorandum that establishes the Preferred Alternative Project for purposes of regulatory review and lease negotiations, reflecting the Port Conditions (unless such conditions are modified or waived by the Port Commission, in its sole discretion, in response to Public Trust or other regulatory agency concerns), the matters described in the original ERN Performance Benchmark Nos. 5,6, 7, 8, and 15, and after presentation to the Port's Waterfront Design Advisory Committee, BCDC staff, the Ferry Building-Northeast Waterfront Advisory Committee, and the Port Commission. The Development Memorandum shall also establish material lease terms and the rent terms with reasonable specificity, including without limitation, types and percentages of recreation-related Trust retail. (The provisions of such revised Development Memorandum as they are incorporated into the final lease remain subject to final approval by the Port Commission and Board of Supervisors after completion of environmental review, each in their sole discretion).	
3.a **WDAC/DRB REVIEW**. Developer shall pay an application fee to the Bay Conservation & Development Commission and bring its proposed site plan before the Joint Port Waterfront Design Advisory Committee and BCDC Design Review Board to receive guidance.	**Prior to** submittal of the Final Revised Preferred Alternative Project required under Performance Benchmark 3.b on **August 16, 2004**.
3.b **SUBMITTAL OF FINAL REVISED PREFERRED ALTERNATIVE PROJECT.** Based on Developer's community outreach efforts and its negotiations and areas of conceptual agreement with Port staff, the Developer shall submit its detailed Revised Preferred Alternative Project to the Port's Executive Director for consideration as part of the proposed Revised Development Memorandum.	No later than **August 16, 2004**.

BENCHMARK	TIME FOR PERFORMANCE
3.c **SUBMITTAL OF FINAL FINANCIAL PROPOSAL.** Based upon negotiations and agreements with Port staff as to the programmed uses, site plan, and financial structure, Developer shall submit its detailed revised proposal on the financial terms, with detailed pro formas in such form as reasonably requested by Port or its consultants, for consideration as part of the proposed Development Memorandum.	No later than **September 17, 2004**
3.d **STATE LANDS COMMISSION STAFF CONSULTATION.** In coordination with the Port, Mills will present the project to the State Lands Commission staff at least once, and more often, if needed, to review any changes of use and/or placement of uses to determine if these changes fall within the guidelines of the June, 2003 SLC determination concerning the Public Trust.	**Prior to** submittal of the Final Revised Preferred Alternative Project required under Performance Benchmark 3.b on **August 16, 2004**
4. **COMMUNITY OUTREACH.** Developer and Port have agreed upon community outreach program and Developer has met goals of program in timely manner; during the period of the ERN extension this program will continue as agreed. In addition, Developer will offer to meet with the Northeast Waterfront Advisory Group (NEWAG) no fewer than four (4) times, and present the project to the Port's Fisherman's Wharf Advisory Group (FishWAG).	**No later than July 7, 2004**, and at least **one other time** prior to October 12, 2004, Developer shall present the Project to Ferry Building-Northeast Waterfront Advisory Group (FB-NEWAG), and thereafter, during the remaining term of the ERN, no fewer than every 90 days Developer shall so present, for review, comment and question, provided that Developer will not be held in default if, through no material default of Developer, the Northeast Waterfront Advisory Group fails to meet, or fails to request attendance of the Developer at its meetings at such times during the Second Amendment of the ERN. Developer shall present the proposed project to the FishWAG at least once, with the first presentation occurring **no later than the FishWAG's first meeting in August 2004.**
5. **YMCA FUNDRAISING.** Developer and the YMCA shall report to Port staff at least every three months during the Second Amendment of the ERN, the non-confidential details of the YMCA's fundraising activities, including number of persons contacted and response, future planned fundraising activities, changes in the fundraising program, and other information reasonably requested by Port.	No later than each of the following dates during the Second Amendment of the ERN: **March 31, 2004; June 30, 2004, September 30, 2004, and December 31, 2004.**

BENCHMARK	TIME FOR PERFORMANCE
6. **PRESENTATIONS TO PORT COMMISSION.** Devcloper will prescnt its Revised Preferred Alternative Project to the Port Commission at least twice **during the remainder of this ERN extension** period.	No later than **October 12, 2004** for the first prcsentation, and no later **than January 18, 2005** for the second presentation, provided that Developer will not be held in default if, through no material default of Developer, the Port Commission fails to hear the matter at one of its meetings within these dates.
7. **PAYMENT SCHEDULE.** The parties shall reach agreement on a payment schedule for the fees required by Port Commission Resolution No. 04-50, paragraphs 2, 3 and 4.	No later than June 16, 2004.
8. **LEASE DISPOSITION AND DEVELOPMENT AGREEMENT AND LEASE.** Developer and Port shall reach final agreement on the form of Development Agreement and Lease and all exhibits thereto.	The earlier of (1) certification of the Project EIR by the Planning Commission, or (2) expiration of the Second Amendment of the ERN.

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PORT COMMISSION

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OCTOBER 12, 2004
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION

HON. WILFRED HSU, PRESIDENT
HON. MICHAEL HARDEMAN, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. SUE BIERMAN
HON. ANN LAZARUS

MONIQUE MOYER, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
OCTOBER 12, 2004

1. CALL TO ORDER / ROLL CALL

Commission President Wilfred Hsu called the meeting to order at 3:10 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman, Kimberly Brandon, Sue Bierman and Ann Lazarus.

2. APPROVAL OF MINUTES - September 28, 2004 Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; the minutes of the September 28, 2004 were adopted.

3. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Bierman moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 3:10 p.m. the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT/DISMISSAL/RESIGNATION – This is specifically authorized under California Government Code Section 54957.

- Consideration and Possible Action on Public Employee's Appointment/ Dismissal/Resignation – Deputy Director of Port.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED AND EXISTING LITIGATION MATTERS. (Discussion and/or Action Items)

a. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (2 cases):

- St. Paul Fire and Marine Insurance Co. v. City and County of San Francisco, San Francisco Port Commission, et al.; U. S. District Court, Northern District of California, Case No. C04-0339JL.

- City and County of San Francisco v. California Foundation on the Environment and the Economy, Inc. San Francisco Superior Court Case No. CUD-611219, filed July 28, 2004.

b. Discuss resolution of contract dispute in advance of anticipated litigation pursuant to Sections (a) and (d) of California Government Code Section 54956.9 and San Francisco Administrative Code section 67.10(d):

- As Plaintiff: Anticipated Litigation Regarding China Basin Ferry Terminal, Contract No. 2660.

c. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Plaintiff)

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

4. RECONVENE IN OPEN SESSION

At 5:20 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn the executive session and reconvene in open session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to disclose that the Commission, by unanimous vote, approved the Executive Director's appointment of Tom Carter, Deputy Director of Maintenance and the termination of Ken Winters, Deputy Director of Real Estate.

Commissioner Hardeman moved approval to disclose that the Commission, by unanimous vote, authorized the settlement agreement between the Port and St. Paul Fire and Marine Insurance Co., as summarized in the Commission agenda.

Commissioner Hardeman moved approval to disclose that the Commission, by unanimous vote, authorized the settlement agreement between the Port and Vortex Marine Construction, Inc., as summarized in the Commission agenda.

Commissioner Hardeman moved approval to disclose that the Commission directed the Executive Director to not pursue litigation, but rather to accept the termination of lease of Dennis Ko Production Art, a tenant at Pier 9.

Commissioner Hardeman moved approval not to disclose any other information discussed in Executive Session. Commissioner Brandon seconded the motions. All of the Commissioners were in favor.

5. EXECUTIVE

A. Executive Director's Report

- Fleet Week – October 8-11, 2004: Maritime Director Peter Dailey indicated that since 1981, the City and the Port of San Francisco have played hosts to the U.S. Navy during Fleet Week. There were nine ships of various types and sizes along the waterfront and thousands of sailors were on the Embarcadero enjoying the beautiful weather. The Parade of Ships took place on Saturday. The Jeremiah O'Brien participated in the parade of ships. The Canadian Snow Birds took the place of the Blue Angels. We hope to have the Blue Angles next year. There were thousands of people on the waterfront. Security was a primary concern and the San Francisco Police Department worked closely with the Port and set up their incident command center at the Port offices at Pier 1. There were no major problems associated with the crowd. He thanked the Navy and the sponsors of the Fleet Week for a wonderful and successful event.

  Ms. Moyer echoed Mr. Dailey's appreciation to the host committee and to the U.S. Navy but most importantly to the Maritime, Real Estate, Maintenance staffs and everyone who put in tremendous amount of hours this past month and the past few days and to the San Francisco Police and Fire Departments.

  Francisco Da Costa commented that it would be prudent for the Port in the future to have the participation of the Blue Angels during Fleet Week. There was a low turnout of people on the waterfront because of the Blue Angels' absence. This is an opportune time to honor our military servicemen especially what's currently happening in Iraq.

6. MARITIME

A. Request approval of a ten-year lease with the National Liberty Ship Memorial, Inc. for the berthing of the SS Jeremiah O'Brien at Pier 45 (Resolution No. 04-82)

Peter Dailey, Director of Maritime, requested Commission's approval of a ten-year lease with the National Liberty Ship Memorial (NLSM) for the berthing of SS Jeremiah O'Brien. The NLSM is a California non-profit corporation which maintains and operates the SS Jeremiah O'Brien as a National Liberty Ship Memorial. The O'Brien is a famous ship in San Francisco history and was built in 1943. She made eleven crossings of the English Channel during World War II carrying personnel and supplies to the Normandy beaches in support of the D-Day invasion. In 1994, the O'Brien steamed from San Francisco and participated in the 50th Anniversary of the allied invasion of Normandy. The vessel is a bona-fide memorial and a living museum to the seamen of the US Merchant Marine who served in World War II. It sailed this weekend as a part of the Fleet Week Operation. The vessel has been berthed at Pier 45 and open to the public under a month-to-month lease since August 1998. The Port has now negotiated a ten-year lease

and berthing agreement for the O'Brien at Pier 45. This new lease is supported by the Port's Fisherman's Wharf Advisory Group and will provide NLSM the stability of a longer-term agreement that will greatly facilitate and enhance their fundraising efforts. The premises will be at Pier 45 along Shed C as well as shed and apron space. The term is for ten years. The use is for public access and support facilities for the berthing of the O'Brien. The base rent will be $2500 per month. The percentage rent will be offset by base rent and shall be calculated and paid monthly at 6% of tickets sales, gift shop, charters and other uses. NLSM is responsible at its sole cost and expense to maintain and repair in good working order the premises including the fendering system. Any dredging required for NLSM to use the premises shall be responsibility of the tenant.

Captain Patrick Maloney, Executive Director and Captain of the Jeremiah O'Brien, indicated that the O'Brien has been in San Francisco for 25 years. Last week, was the 25th anniversary of the ship's escape from a mothball fleet. She's been under a month-to-month agreement ever since then. This ten-year lease would provide an opportunity for them to apply for and receive grants to help sustain the ship and give them an element of stability that they have not had in the past. He hopes that the Commission would take that into consideration. He thanked Peter Dailey, Nic Larocco and Phil Williamson for all their efforts on this lease. They are already planning the return to Normandy in 2044. Most of the crew won't make it but there's no reason the ship won't. They are here for the long-term. This is good for the ship, for the Port and for the Fisherman's Wharf Association. The ship is known worldwide. She's a small ship but still a viable destination within San Francisco.

Commissioner Bierman indicated that she had the privileged a year or two ago to have breakfast on the O'Brien. The person who was telling them about the O'Brien talked about being at sea during World War II and how the sailors had to stay under water during the day but could come up late at night. They couldn't even light a cigarette because they could be spotted by the enemy. Her being on the ship gave her the experience of what it was like and a tiny idea of what it's like to be at sea for so long and be in danger as well. To have the O'Brien berthed at Pier 45 would provide people from all over the world the opportunity to come and experience the ship.

Commissioner Hardeman commented that he has been on the ship a few times. Last year, he spent some time with Captain Maloney and Admiral Patterson going up the delta. They were wonderful hosts and it was a fantastic experience. Carl Nolte from the S.F. Chronicle wrote articles about the ship's trip to Normandy. It's unfortunate that the Port has to charge for berthing this treasure. He thanked everyone for all their efforts in keeping this ship berthed at Pier 45.

Since there is an overwhelming number of speakers, and absent Commission objection, Commissioner Hsu changed the public comment time limit from three minutes to two.

Francisco Da Costa commended Peter Dailey and the Port because this project is in keeping with the Burton Act. This is a historical ship. It will remind the constituents of San Francisco especially those who gave their lives in Normandy what this City is all about. He commended the volunteers who worked on the ship and on the Port. He agreed

with Commissioner Hardeman that it's a shame that the Port has to charge and make a little money off the ship. He hopes that in the coming years, the ship will be given berthing rights free of charge.

Thomas A. Miller, member of the NLSM, asked the Commission to approve the lease. The Commissioners have their cars, nice homes and education. They were paid for by the sacrifices of the sailors, soldiers and merchant marines especially. A lot of those guys never got to go home, see their moms and dads and go to college. He served on the Army for 22 years, served two years active duty during the cold war. He served on the Port construction unit in Oakland. He is currently restoring the next class vessel of the Jeremiah, the Red Oak Victory, in Richmond. If it weren't for those ships, all of these would not exist.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-82 was adopted.

7. PLANNING & DEVELOPMENT

A. Request approval to extend the date for the Port Commission to endorse the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project; extend the date for presentation to the State Lands Commission staff and the Port Waterfront Design Advisory Committee and Bay Conservation and Development Commission Design Review Board; and Informational Presentation on the Revised Preferred Alternative Project.(Site Location: The Embarcadero, between Bay and Battery Streets) (Resolution No. 04-83)

Lynda Swanson, Project Manager, indicated that in order to allow the parties to complete negotiations on the financial terms, Port staff recommends an extension of the deadline for Port Commission endorsement of the Revised Development Memorandum until November 9, 2004. In addition, should the Commission endorse the Revised Development Memorandum as of November 9, 2004, Port staff recommends an extension of the following two Performance Benchmarks until January 18, 2005: (1) presentation of the revised site plan to the Waterfront Design Advisory Committee and the BCDC's Design Review Board; and (2) presentation of the changes to the site plan to State Lands Commission staff.

The informational presentation the Commission will receive today reviews the changes to the site plan and the table of uses that have occurred since the last formal review before the Commission which occurred following the State Lands Commission (SLC) decision rendered in June 2003. The site plan began last fall after the SLC's decision. The SLC endorsed a project that significantly reduced indoor recreation, which is defined as a non-trust use, and significantly increased retail uses which is defined as a trust use. Over the past months, the Port Commission, Port staff, the Northeast Waterfront Advisory Group (NEWAG), the Fisherman's Wharf Advisory Group (FWAG) and members of the community including the Citizens to Save the Waterfront have continued to critique the project and met with the developer almost weekly. The developer has responded with a plan that will be presented to the Commission today that staff

affirmatively endorses. Staff has worked closely with the developer to craft a plan that meets the requirements set out in the RFP in 2000 that can be entitled through the SLC and the BCDC because it would meet their policy requirements, consistent with the mission statement which was developed over many months with NEWAG and included in the RFP and the 13 conditions the Commission attached to the ERN at the time of its award in April 2001. The Revised Development Memorandum is the document that lays out the key financial terms and the project scope. It is intended to form the basis for the lease and the lease disposition and development agreement, the formal legal agreements between the Port and the developer. When the Commission awarded the latest extension in January, it required that a revised preferred alternative plan be presented and a revised financial proposal to be endorsed as a condition of the extension. These elements will be incorporated in a future revised development memorandum that would come before the Commission in November. Although the staff and the developer have come to an agreement on the site plan and uses, an additional period of time is needed to complete the financial negotiations. Staff and the developer have met and agreed to most of the terms except for one or two items. If the Commission approves the extension, it would permit the parties to complete the final points. At that time, staff will return to the Commission for its endorsement of the development memorandum including the site plan, the uses and the financial terms. The project could then proceed to the next step, which would be to request City Planning to amend the current project description before them and move forward with the EIR. The third request is for an extension of time to present the plan to the regulatory agencies. This extension is needed because they could not meet the schedule of the SLC staff and the BCDC Design Review Board prior to today's Commission meeting. The 13 conditions are discussed in-depth in the staff report.

Condition #1. The lease should include very specific use requirements for creating and retaining the RFP Required Uses throughout the lease term. The required uses per the RFP include the following:

1. Recreational Enterprises which is defined as indoor and outdoor recreation without the water basin.
2. Open Space/Public Access. The Revised Development Memorandum will require the Developer to maintain throughout the term of the lease, the Northeast Wharf Plaza, and public access on the site at least 35% of the site footprint in accordance with BCDC requirements.
3. Temporary and Ceremonial Berthing at Pier 27.

Page 2 of Table 1 describes the required uses and compares the project as it has evolved from the original response the developer gave to the RFP proposal, through the SLC proposal to the current plan. It displays the information in a number of ways. Program space on the project excludes specifically the requirement for the maritime berth, the northeast wharf plaza, the 35% public access and the space that is needed to support all the other spaces in the project specifically parking and the service core for material management. Program space includes recreation, office, retail and restaurant. Those are within significant limits in the project. The required uses without the northeast wharf plaza now comprise 60% of the total space in the project if the northeast wharf is included and 52% if not included. The lease that would be coming to the Commission at the

completion of the EIR and the regulatory approvals would require the developer to obtain the Commission's prior written consent for any changes in use to this program. The Port could withhold its consent if the square feet of the required uses is cut, if the affordability of the project is limited, if new, non-active recreation uses are introduced or if the public trust consistency of the project is adversely affected. The Port would retain the right of all recreation subleases to ensure that they are being entered in compliance of the lease terms and conditions. By category within the required uses, the first is recreation which combines the recreational enterprises of the indoor and outdoor space and the recreational boating including the water. Combined, this category has grown from 44% the developer met in their first response to the RFP to 51% in the current plan excluding the water basin and 60% if included. The water basin was a valid required use because without it, there won't be a marine sport recreational boating program and because $10 million of investment is needed to build a wake attenuator of floating docks and for baffles beneath the piers to keep boats from being caught underneath the piers.

Indoor recreation has been a point of contention in this project. The current project has increased the amount of indoor and non-YMCA indoor recreation space to almost 73,000 s.f. representing 60% increase over the original RFP and more than 300% increase over the SLC proposal. In addition, the revised Development Memorandum requires the lease to continue the YMCA at its current size and to continue the full square footage of the non-YMCA indoor space. It would also require that the active recreation located outside the YMCA building, the skate park, the sports valley and other outdoor YMCA uses would always remain at least as large as they are in this plan. Active recreation is defined as team and individual sport and personal fitness activities and a limited amount of game and hobby activities, no more than 15,000 s.f. The recreational program including the recreation is both a large component of the project and a permanent amount of square footage. It will not get smaller. In addition, the Port retains the right to all recreational related subleases to ensure they are being entered into compliance with the terms and conditions of the lease. With respect to the boating and water use, the lease would require the developer to maintain the water basin and program run either by the America True Foundation or an equivalent non-profit operator. The lease will specify that the current amount of square footage of docks, the boating center and the things related to that will not be smaller.

Condition #2 – The lease should include very specific restrictions on the use of the retail space, restricting retail uses to active recreation-related uses and a very limited amount of other retail space. The Developer will be limited to retail of no more than 119,000 leasable gsf which includes about 5000 gsf of kiosks. The Port may withhold its consent to any changes if the retail use is increased. The developer must insure that all but a limited percentage of the retail is recreation retail. Recreation retail is defined as retail use that sells goods and/or services primarily related to or oriented toward active recreation. The parties are close to an agreement on the percentage. Temporary variances could be allowed to the extent that no credit worthy retailer tenant could be found. Even then, it could not fall below 50% of the total retail and any subleases would be limited to five years. The Developer's initial proposal for recreational retail would include: goods and services, information, and equipment for skating and skateboarding, cycling, skiing, snowboarding, camping, climbing, recreational fishing, windsurfing, canoes, kayaks,

athletic footwear, equipment and accessories, surfing and game store. Additional ideas that staff put forth was to try to find in general the highest quality local retailers to go into the recreation retail space of the project. Staff is requiring a recreational retail marketing plan be prepared which would be reviewed each year with the Port Commission designed to encourage a wide range, local and regional retailers offering sales, rentals, instructions, tours, and related to the active recreation activities on the site. As with the other uses, the Port retains the right to all retail subleases.

Condition #3. There should be commitments from the developer to recreational programs and activities that are free to the public in both the indoor and outdoor spaces. The sports valley and marine sports basin shall be free for the public except by programs run directly by the YMCA or America True, skating rink which is a new use in this plan and certain minor fees associated to reserving league play on the field. In addition, the lease will contain affordability principles that must be maintained, including fees of the YMCA not to exceed other YMCA facilities in San Francisco and the offering of grants, scholarships and other mechanisms to make the active recreation activities available to those that could not otherwise afford it.

Condition #4. The maritime and recreational program has been well-defined. The northeast wharf plaza has been broadly supported. It has been through the Waterfront Design Advisory Group (WDAC) and the Design Review Board (DRB) several times. The appropriate steps have been taken to obtain the 20% historic tax credit. A Part II submittal has been satisfactorily resubmitted responding to the various issues either by the State or by the National Park Service. There were some questions that staff was not able to deal with until it is known what would be in the building. All other issues have been dealt with. Staff needs to continue to negotiate the Port's participation in the sale and refinancing, the responsibility for the development cost of the project and the financial term.

With respect to transportation issues which has taken a public role and major concerns in this project, Condition #9 states that through the environmental review process, specific transportation impacts and required mitigation measures need to be identified. The EIR will identify adverse impacts and suggest mitigation measures. It cannot be completed until a plan has been endorsed. Mills's transportation consultant will provide some information on this issue. Parking will be for short-term use only; not for employee parking. The developer needs to work with the Port, Muni, and the Embarcadero Task Force to expand public transportation to the Site. The developer has agreed to provide $1.3 million to Muni for the purchase and rehabilitation of up to four historic trolleys. The developer funded the Port and City Planning Embarcadero Transportation Study which presented to the Commission at the last meeting.

Condition #10. The Development Program should be changed to better address the Required Uses, limit Permitted Uses so that they are ancillary and eliminate uses not permitted. The developer has significantly reduced the amount of office, retail, and eating and drinking spaces. The general office space has been cut 39% below the RFP proposal response and 18% below that of SLC's proposal. The SLC's proposal did have an increase of retail and restaurant . It grew by 34% because it is a public trust use but staff and the developer was able to reduce it by 30%. The current proposed restaurant café space is

34% below the RFP proposal and 29% below SLC's proposal. Staff believes that this program is the best balanced that could be achieved to triangulate among physical constraints, the regulatory barriers and the financial realities. The interior space has been expanded and devoted to recreational enterprises. Staff made certain that the active recreation uses are operated by only one membership club. That concern has been diminished since YMCA is not a membership organization. They have eliminated assembly and entertainment and visitor services as required. They have activated the open space network with considerable improvement to the plan that was rendered as a review by the WDAC and DRB and by the architects and community members of the Citizens to Save the Waterfront. Staff has received evidence of specific fund raising milestones from the YMCA as stated in Condition #12.

Condition #13. The base rent, percentage rent and other rental must be at fair market, and must comply with the terms indicated in the RFP.

Port staff believes that the 13 conditions have been met with the exceptions that require additional time.

Commissioner Bierman asked what specific uses are included in the indoor recreation. Ms. Swanson replied that there are about 20 different ideas and the bowling center will be included.

John Spratley, Project Manager for Mills, indicated that the project site as it currently exists is comprised of three different pier structures - Pier 27, Pier 29 and Pier 31. Pier 27, a long shed built in 1967, will be removed as part of this project. Current uses within the project site are: Bauer's limousine, parking on the outside edge of Pier 27, City of San Francisco Storage, Teatro Zinzanni, electric rental cars, etc. He showed the Commission a computer generated animation of what the project would look like.

Mr. Spratley indicated that the northeast wharf plaza is a 2.5 acre plaza. When they did their calculations and talked about public spaces and recreational space, they don't count one area twice. Although there are turf areas where people play pick up games of soccer and doing recreational activities, they are not counted as recreation, but rather as public open space. Actual recreation numbers are significantly higher. They are not counting all recreation as recreation. Pier 27, the finger shape building that they are removing, will open up a lot of views and open up the water and make room for YMCA, a new finger shape building, a 110,000 s.f. inside the building. The outdoor area, the sports valley, has a lot of outdoor, free-to-the-public type of uses contemplated as in-line skate park, or during seasonable events ice skating. There is a turf and sand area for volleyball and other types of activities. There is a skate plaza and basketball and volleyball court. Piers 29, 29½ and 31 will be retrofitted to historic standards. The indoor non-YMCA recreational uses have increased over time. There are restaurant-oriented uses. There are retail uses. The retail uses are predominantly recreational focused retail uses. There are some maritime office uses and offices toward the end of Pier 31. In terms of vehicular traffic and parking, people will come down Embarcadero towards Fisherman's Wharf and turn into the cul-de-sac type configuration. A ramp will take them from this location to the second floor parking lot with approximately 415 parking spaces which are self-contained

within the site. Also to the left of the site, there is room for about 115 additional parking spaces which they don't control. There are offices and restaurants on the second floor. The project has changed substantially over time from when the RFP was awarded to the present. The amount of recreation in the project has gone up to almost 500,000 s.f. The commercial use has gone down substantially. Recreation is higher than it's ever been. Commercial is lower than it has ever been. It puts some pressure on the economics of the project but at the end of the day, this is a very good project. 35% of the entire site is dedicated to public access and open space. A good chunk of that is recreational as well. 60% of the current plan is recreation (51% if the water is not counted.) The total recreational uses have increased. The total commercial space has gone down over 130,000 ft. Parking space was originally at 212; it is now up to 415 spaces on the site they control.

To put this project in context with other recent projects that were unanimously approved by the Board of Supervisors and the Port Commission, the cruise ship terminal on Piers 30/32 has roughly 13 acres; this projects has 19 acres. Piers 30/32 has 370,000 s.f. of office space; Pier 27-31 has 205,000 s.f. less of office space. Retail restaurant entertainment uses at Pier 30/32 is just under 200,000. Piers 27-31 has 155,000 s.f. The cruise terminal has 350 condominium units across the street from the piers. Piers 27-31 does not have any housing on the project. Piers 30/32 has 230,000 s.f. of public access and open space; Piers 27-31 has 360,000 s.f. Other public serving uses Pier 30/32 has 100,000 s.f.; Piers 27-31 has over 233,000 s.f. more which includes the YMCA, etc. Traffic and parking impact on this project will be presented by Bob Harrison. The full-blown study was done and based on the program in May 2004 where there were more commercial, more office, more retail and restaurant uses at that point. Based on that plan, there is one intersection at the Broadway and Embarcadero that degrades from a D to an E, the wait time increased by about 18 seconds. The City was conservative in its estimates. The City assumed that because of the increase in summer traffic and tourists, there's going to be 21% increase in traffic. It's an arbitrary number that they had chosen. The summer that Mills' transportation consultant did an actual count on a busy summer weekend, they found that the numbers were significantly lower. If the City used the developer's actual count they have done, that impact at Broadway and Embarcadero actually goes away. To put it in context, the Pier 30-32 cruise ship terminal project would cause drivers at five intersections to experience delays at signals lasting at least 55 seconds (level of service of E or F). The study is very conservative based upon the 21% number and based on an outdated site plan that assumes more commercial uses. When they looked at the studies that have been done, the short-term demand on the project based upon parking shared model, all short-term demand parking is met on the project. They also found through an inventory they did this summer that within about a 5 minute walk of the project site, they found that there are roughly 860 spaces available in the vicinity during the peak times. The Embarcadero Traffic Study presented to the Commission at the last meeting produced the same results. The Commission will hear claims of good luck and other things and he understands why people are making those statements. Those statements are not really based on the science of this project. The science of this project is that it could and will have traffic impacts. The science that has been applied to this project shows that traffic and parking impacts are not all that substantial especially given a project of this magnitude. There will be 415 parking spaces on site. They are paying the Transit Impact Demand Fee. They are dedicating $1.3 million for historic street cars. Through Muni's

own operational improvements, short-range transit plan, they will nearly double the capacity of the F-Line which will benefit the entire area. The travel demand management program will apply to this project as well. They will have valet assist parking which will reduce queuing issues. They are working with City car share; they will have up to 7 car pods. They are going to use conventional and real time electronic signage. There will be a lot of people who will be showing up to use the YMCA. They're not going to be driving cars to the project; they will be taking shuttles to the location. At the end of the day, having minimal parking impacts are absolutely their goal too. He showed renderings of the current marine sports basin and the condition of the piers. They will retrofit the piers and get them up to current seismic standards. He showed renderings of the current sports valley, the Teatro Zinzanni, the Pier 27 shed building they are removing to make way of the YMCA and the sports valley. When people think about a skate park, they think of huge high ramp and fencing that skaters like to use with their boards and bikes. They will have that inside not in the outdoor portion. They will create an authentic public space outside. The skateboard task force wants an authentic public type place where they are permitted to skate. This would give them enough place to skate. Going into the Pier 31 area, retrofitting the buildings and bringing it back to historic standards is an important thing and does good things for the experience when walking through the project. There are dramatic two-story spaces that run through Pier 31. There is a second level for office uses. The Pier 29½ passageway is a huge inviting space for pedestrians to go to the project. The YMCA building is nautically theme - its elevations, its character. There's a lot of glass used on this project to get natural light in and get great views out. Looking from the Embarcadero, the historic structure and the patterns of the windows and the roofline can be seen. They are going to repeat it but not try to replicate it exactly. The number of site lines and visual aspects that this project will bring will be tremendous. With the removal of the Pier 27 shed building, there will be a dramatic opening of the bay through the Embarcadero.

Lastly, the project will create about 1600 jobs. Mills is committed to using 100% union on the project. They have an agreement with Local 2 to reduce the restaurant threshold down from the 50 employees. The private investment they are bringing in to San Francisco's waterfront is well in excess of $200 million. To rehabilitate the pier will cost roughly $25 million which is necessary and will benefit the Port and the City. Tax revenue during construction is $8.4 million and just over $11million in annual tax revenue on stabilization. They are bringing up Piers 29 and 31 to historic standards and placing them on the National Register. This project will open up the waterfront, provide unparalleled public access, over 8 acres of open space and the YMCA and the affordable recreational offering it will bring, the maritime museum and the northeast wharf plaza. The appendix lists all of the types of uses in the project and the bowling center is included.

Chuck Collins, President and CEO of the YMCA of San Francisco, indicated that he took this job largely because of the opportunity that YMCA presents to communities in the City and the region, dealing with issues of children, families and of community. YMCA has been a part of this City for a hundred fifty years. It's a part of every aspect of the community. Some people in the audience today are members of programs that are run by the YMCA, his colleagues, professionals who have given their lives to the YMCA and the communities they represent. He was born and raised in this town. He is a child of the 40s,

50s and the 60s. He remembers this town when the waterfront was an active, vital and vibrant place for many people. It was significant not only in terms of Port activities but for the jobs and the resources it brought to the region. This project is absolutely unique. The opportunity to build a YMCA of this scale, of this significance in this time and place is unprecedented not only on the region but in America and internationally. It will be something that changes where we are and what we do. There's nothing about development that leaves things just the way they are. This City needs places for families, for the children, to create community and recreate. It needs places that are going to unite what we have in terms of a promise of being one of the greatest waterfront cities with the ability to be able to come out and use it. As a matter of civic responsibility, very few people have the ability to really touch the water in a profound, exciting and energizing ways. There are private clubs and many of them. There are berths for private boats and many of them but there's not a place in the City where just anybody can walk in and participate on the water. There's no place for the kids in the Bayview Hunter's Point, in the Sunset, in Telegraph Hill, in the Richmond, in the Fillmore, downtown, South of Market. There is no place where kids and families can come down and activate their interest and potential in the water. Some might say that this is just for people who have privilege but YMCA is not that at all. They are an organization where everybody is welcome. They don't turn away anybody for membership. They have an active involvement in the region. They serve over 180,000 people. They provide day care to their communities. They provide programs to seniors and elderly. They have after school programs that are safe and make the City civil. This is the sort of organization they are and the sort of organization that he came to be a part of. He comes in a very great tradition. He hopes that he has the ability to excite the passion that Marti Bolsinger had because she was a great leader in this City and she was a great leader for the YMCA. They have a lot of support for this project. There's a lot of conversation around this project. They raised their children in San Francisco. They live in San Francisco. If they are lucky enough they will have grandchildren who will want to live in San Francisco and be able to do things that kids should do and family should do in a City like this. It doesn't happen if we don't take bold steps. It doesn't happen if we just sit down and let things be just the way they always are. He watched how the public process has improved in every single measurement. He hopes that people who are critical of the project will take another fresh look at it as he has taken a fresh look at the project and getting deeply involved in just the few weeks as the president and CEO of the YMCA. YMCA has been around for a hundred and fifty years and it's a wonderful thing to celebrate. They have to create the next hundred fifty years of legacy to the City that the children, the community, the families, and visitors will inherit. Is it going to be a City that is stagnant, that is wasting its resources, it's allowing itself to decay or is it a City that is building a future, a bright future of engagement, involvement and intersection of community. This is the kind of community he wants to live in and it is the kind of community that people are brought to San Francisco to inhabit. It takes action, courage and it does take people looking at their own narrow self interest and not disguising them and call them what they are. There's a lot of interest in this City. We all have to manage that and arbitrate it, bring it together especially in terms of our civic responsibility, an affirmative responsibility to help build the context for community. This is going to be a remarkable YMCA. This is something that has not been elsewhere. There's not a place anywhere in the United States or around the world to see such a public devotion to recreation, learning, excitement, maritime interface and things that have been beyond the

reach of many people in the community. This project is going to be accessible. They have always been involved in issues of creating community, issues of accessibility, and making sure that people that are outside of the framework have a chance to come in and join the fruits of what can be. The Commission was previously presented a couple of boxes that represent 4153 signatures in support of the project. They present tonight an additional 2000 signatures of support for their project. They want the Commission to know that throughout this City and in this district 3 there are hundreds of people who are coming out and voicing their opinion about the importance of this project and getting it done. They have Citywide support and they have support in ground zero. It is very important because they don't want to build something that is going to be unpopular. Their goal is to build something that is truly inclusive, something that is really innovative and prove themselves as leaders in a remarkably exciting vision for San Francisco.

Bob Harrison, RL Harrison Transportation, compared the Mills project with other projects. The table he provided to the Commission shows comparison about the Mission Bay Project, the Ballpark, Piers 30/32 and the Mills project. Clearly, they are not exactly the same but it gives them a sense of the scale of the different projects. The first thing they compared was the trip generations. In Mission Bay and the ballpark, there are about 30,000 person trips in the one-hour peak period; Piers 30/32, 5400+; the Mills project around 3000. Mills is substantially less than all those projects in terms of the scale of trips generated. In terms of traffic impacts, the simplest way he could think of is how many intersections that were working fine became intersections that don't work. The numbers are: 10 for the Mission Bay, 16 for the ballpark, 4 for Piers 30/32 and just one as John Spratley described or none if you count the traffic they counted in the summer of 2004. Transit impacts, the Mills project has about half the transit trips. He stressed that all the numbers are from studies prepared by the City using the same methodology, all transportation guidelines of the Planning Department to reach these numbers. In terms of parking, the Mills project will provide 415 on site. Mission Bay was short almost 5000 spaces but it was approved. The ballpark was short almost 4000 spaces but it's working pretty well. Piers 30/32 was short 1100 spaces and they don't know how that will work. Mills project is short less than 200 and they have done surveys in the area that suggest there are well over that number available within a 5-minute walk. If they use the Urban Land Institute shared parking analysis, they will almost completely meet its parking needs on site. In fact, on the weekends, they have an excess of supply. While the project is big and impressive, it is substantially smaller than the other projects and it should not scare people that it is not going to be workable. In summary, the project will work from a transportation perspective. Mills Corporation is dedicated to that and it would not make any sense from their perspective if it didn't work. Clearly, they will make it work.

Mark Esposito, Associate Landscape Architect of SWA, indicated that there has been a lot of interest on how the sidewalk works along the Bayside of Embarcadero. The project has 1500 s.f. of sidewalk frontage as Mr. Spratley mentioned. The current uses are 8 vehicular ways across that sidewalk. The project reduces down those vehicular crossings to only two active ones at the very northern end and in the middle which is between YMCA and Pier 29 and at the southern end for emergency and service access. That is good news for the continuity of the sidewalk. The sidewalk along Embarcadero all the way from Pier 39 to the ballpark is anywhere from 15 to 30 feet wide, the nominal target in the design is to

be about 25 feet wide. The sidewalk along the project frontage is somewhere between 20-29 feet wide currently and the project condition change will be very minor. As Pier 27 gets removed, that area will become more generous. When the YMCA is added to the site, it will be pushed back a little further than the current building. There will be a little bit more generous room in front of that building and the sidewalk. The sidewalk in this area is unusual. Unlike most of the Embarcadero sidewalk which has a drop off or parking in front of each pier building, this area currently does not have any drop off. The project proposes adding two short drop off areas, one of 150 feet in the middle of Pier 29/31 between the portals and about 100 feet in front of the YMCA for the shuttles and drop off. It's a modest total of 250 feet for the 1500 feet frontage. The drop off, approximately 8 feet, will be taken down from the sidewalk in front of Pier 29½ from 29 feet to 21 feet and along with lowering the raised portions of the light ribbon. When the light ribbon is lowered, the drop off has been added, the site furnishings of the street lights, the poles moved and no vehicles coming out of the buildings, it will be more comfortable to use the full zone.

Dana Riley, America True, indicated that she has been involved with America True Sailing Program since 1997. She has the privilege of seeing first hand what introducing kids to a new positive experience such as sailing can do for them. This project is great for all citizens of San Francisco .They have been performing programs at Bayview Hunters Point, Lake Merced, Marin City, Oakland and interest and excitement is building around the bay. They now have kids asking them when they can go out in the water, when they could go sailing and when the place on the bay will be open. It's getting a bit hard to continue to explain the delays to them. The developer has done everything possible to listen to the needs of the citizens and interest of the community. They have come up with programs that serve all of the needs in a very safe and creative manner. She asked the Commission to approve the project.

Steve Jacobsen, Executive Vice President of Development for Mills, indicated that staff has done a tremendous job, under Monique's direction, to work very hard towards a solution that works for both, understanding what the issues are in the table in relation to economics and uses. The Mills project has come a long way as presented by John Spratley. They have done what they have been asked to do. They have negotiated in good faith and they have gone back to the table time and time again. This project is 51% recreation. He would argue that it's more than that. With America True, not to include the water is wrong because right now the water is not usable. This project is 51% recreation, with the water it's 61%. They have reduced the office space, they have added parking in the project. They have added other amenities, whether it's the Maritime Museum, whether it's embellishing the skate park, whether it's looking at opening the archways of the historic buildings. They have addressed parking issues. They have come forward with ways to solve the traffic and parking. They have agreed to $1.3 million for additional F-line cars which is not part of the requirements of the traffic report. They've agreed to spearhead traffic management programs. Mills knows what it's doing. Mills has done quality projects time and time again. They will not disappoint the Port, they will not disappoint the City of San Francisco. This is about affordable recreation. This is a true relationship between non-for-profit, public sector and private sector. Having YMCA and America True is special. As he travels through the U.S. and Canada, a lot of people asked

about this project. Cities on the waterfront truly are interested in what is being done here. When they look at what they are doing and opening the waterfront, it's truly the private sector working with the public sector. It's a very unique opportunity. He asked the Commission to focus on what they have done and how far they have come. He gave the Commission his personal commitment. He 's here for the long haul. He has been with the company for 20 years. He's not going anywhere or the other people on the team. He welcome Chuck Collins. He is a great addition to the team. The Commission will hear a lot of issues in relation to parking and traffic and too much retail, too much office. He believes that they have done everything they have been asked to and still create a project that can provide affordable recreation. This is what this project is all about, providing affordable recreation and access to the waterfront. He thanked the Commission and staff and they look forward in the next few weeks to work on the economics of the deal and look for a favorable vote at that time.

Toby Levine, Chair of the Northeast Waterfront Advisory Group, indicated that a lot of people were impressed with the progress that has been made. It was quite evident that staff and Mills have reached a lot of common agreements in a lot of areas. However, the committee does not have consensus in terms of what it is the Commission should do. Some of the members feel that the project should go forward to the next step. Others feel that there's a great deal more information they need to have. They have concerns about parking and many other issues. She wished that she could say that the Commission has a group that is really behind the project or not behind the project. At this point, they lack in consensus. On a personal note, having been this whole activity since 1992, sometimes she feels a great deal of despair. It seems as though every time we make one step forward, we go back three steps. Today, she hopes that we are going three steps forward. She suggested that we look again at how the process goes from beginning to end. In the Waterfront Land Use Plan, there is an implementation plan that looks at to how we get from this to that point. It doesn't always work that way, sometimes it takes too much time, too much heartache, too much money, too much staff's time. Sometimes staff feels they don't know what's going to happen next and the same with the public. This is the time to look at the whole community planning process, find new ways to make it better for everybody and have all the same information, hidden agendas are brought out to the table so there is true transparency to avoid these long, difficult, painful situations. It can be done better. This Commission can help to have it happen. The Port Director wants the whole process be improved. She hopes that the Commission will consider her suggestions.

Commissioner Bierman asked if there's a place where younger kids (3-9 year olds) could play. Ms. Swanson replied that there is a child watch play area, a 2000 s.f. area connected to the YMCA and adjacent to the sports valley.

Paul Scott, President of the Telegraph Hill Dwellers and representing the Citizens to Save the Waterfront, gave the Commission a sense of what the public sentiment is by having the people who have concerns or opposed to the project as it currently stands, stand up. He is a father with kids who will hopefully someday play on these piers. It is because of that he wants this project to get built. He would like some place for his children to go and enjoy recreation on the waterfront. The problem is this project is badly flawed that he cannot in good conscience support it despite the fact that he wants it go forward. When he

tried to make that assessment, he looked at the conditions that the Commission placed on this project when it was awarded to Mills in 2001. Those conditions were very specific. Mills was required with respect to the interior spaces of this project to significantly reduce the retail, the office, and the restaurant components and to significantly increase the recreation space. When Mills talked about laying down another piece of asphalt and claims that's recreation, that's not what the Port's conditions were about. When you look at the numbers, the remarkable thing about this project is that one the biggest grievance people had was that it was going to be a mall on the waterfront. The size of this project is larger now than it was in terms of the retail component. It had 111,000, now it has 119,000 s.f.

Francisco Da Costa, representing the first people of this area, the Muwekma Ohlone, indicated that this project is spiritually bankrupt. He also addressed the quality of life issues. At some point in time, there needs to be an environmental impact assessment to address where the energy is coming from, where the sewer is going to and most importantly, how the seniors will be cared for. This is a City not a town. The majority of the people that live in the City and County of San Francisco are seniors. The YMCA caters to the filthy rich.

Zach Stewart, Canessa Park, pointed out that there is something really wrong with this project. The drawings are good, the models are good and the slide show is good. It even opens up the waterfront. All the things look right about it but it lacks something. It's probably better built in Iowa or other parts of the United States where it would be a baffled project. O'Shaugnessy, Strauss, and Morrow took 20-30 years to do the Golden Gate Bridge. Frederick Olmsted, Vernon, and Arthur Brown took about 60 years to do Aquatic park. He does not know how long it took the ballpark but it turned out to be a pretty incredible project. This project needs a new developer, a new set of architects and a new approach. Ms. Levine's comment is right. We need to start over.

Tammy Anderson, Wharf I/II, Affordable Housing, indicated that the wharf plaza consists of 230 unit, 300 plus seniors and disabled housing complex with 18 family units at the intersection of Francisco and Kearny. Every time there is a holiday, Fleet Week, 4th of July, they are held hostage to their homes. On the weekends, they take their lives on their own hands crossing Bay and Kearny. Coming here today, they all met at 4:30 to take the F-Line down, they got on the third train. The first two were full. This is Tuesday at 4:30. She does not know about the studies. She knows that the safety of the seniors and the disabled and all of their community is being inundated by one project at a time. They are aware that people wrap their lives around the ballgames. For somebody to say that everything is going well is surprising. When she took her sister home during Fleet Week, at Second and Bryant from Bay and Kearny, it took an hour and 15 minutes but it took her 6 minutes to get home. It was one of the emptiest Fleet Week she has ever seen. They've had one fatality several years ago at Bay and Kearny. They've had several accidents and near misses at the corner of Bay and Kearny. When somebody is waiting on valet parking, there's going to be a back-up. The Embarcadero is already a gridlock. They are asking for a postponement so there's time to study these things and look at them. She thanked the seniors and the disabled community for coming down to the meeting today.

Vedica Puri, Telegraph Hill Dwellers, Waterfront Chair, indicated that there were extremely amazing things in today's presentation by Mills. The most amazing was the traffic. John Spratley reported that it is not that substantial and that we need to understand the science and the methodology. She asked Mr. Spratley to explain the science and the methodology. Residents from Wharf I/II, which are two blocks away, the seniors, the disabled and low-income and residents from her neighborhood which area one block away, have not seen the evidence that the science is going to say this is a fine project. The traffic consultant reported that because all of the other projects were short, this one is only going to be a little short so therefore it is ok. That is not ok. As far as the science is concerned, where is the science. They hear that Mills has funded a traffic study. At the last NEWAG meeting, they heard Ms. Swanson say that the results of that study would say only 200-400 spaces would be needed. The study is not done yet. How do we know what the results of the study is going to be. How are we being told what the results are. It sounds fishy to her. Until they have some answers on the parking and traffic, the countervailing point to the children at the YMCA or the safety of the seniors, they are equally important public policy that must be preserved and taken into consideration. They heard that the new director of the YMCA say that we need to create a community. That starts with involving the community, that starts with hearing their concerns. They have not been addressed. The Citizens to Save the Waterfront was in negotiations with Mills. Mills walked away from the table and have not heard from them for two months until the last NEWAG meeting. At the last NEWAG meeting, Toby represented there was serious divisiveness over whether this project should be approved. If there is divisiveness at NEWAG, that tells you that there is serious divisiveness in the public. She asked the Commission for a 90-120 day hold like they did with the hotel project. Hold everything. Don't approve anything. Make Mills come back to the table and talk to them and address their concerns. She asked the Commission to put a hold on the project until Mills does what they need to do.

Monica St. Geme, representing the Golden Gateway Commons and member of NEWAG, expressed their deep reservations for this project. They have followed it for three years. They still have deep reservations. They have issues about traffic more than parking. Parking on historic property is an issue. They have watched and live in an area where traffic is in gridlock. When you talk about lacking 5000, 12000, 3000 spaces a mile down the Embarcadero, that impacts them. She has taken an informal survey of cab drivers, they don't come near the Embarcadero especially on special events like Fleet week. We are turning people away from Embarcadero. They are afraid to come down because they don't know what they are going to find in terms of crowds and traffic. All of us have a vision of San Francisco. It is a place that we love, it's a place that we want the best possible life for everyone. She does not think that they are being unfriendly, that they are being obstructive but they want to express their vision for the water, for the City, for the children and for the aged.

Ron Kaufman, CSW, Kaufman Companies, indicated that a few generations of his family live within a few blocks of the Mills project. He spent the last 44 years restoring the neighborhood immediately across the street known as the northern waterfront historic district. He has a copy of a letter that Heritage recently sent to the Commission. But the point is simply that doubledecking the historic piers changes the characters of the piers

and would subject them to question by the Department of the Interior. The Port did that with the Roundhouse and it is a functional and aesthetically building that has been sitting vacant and is a non-producing asset for the Port. The YMCA is a look-at-me building when you compare it to the character of the waterfront. There is the major impact on the district across the street which is considered a historic district. Eight days ago when the presentation was made to NEWAG, he left a message with Mr. Spratley asking for the facts and the PowerPoint presentation. He did not receive a response to that phone call. They had 8 business days to review something that may affect the next 50 years of this waterfront. Recently, in Massachusetts and Florida, the Mills was turned down on major projects. The Port staff and the Commission owe it to the people of San Francisco to find out why that happened to look into the internet and find out all the communities that have been heavily impacted by Mills projects as to traffic and other environmental problems. He added that his group has not had time to present to the Commission. They have a financial plan that if you dramatically downsize Mills, they could make up the difference in finances to the Port. He asked to present their plan in detail to the Commission at a future date.

Jeffrey Pollack, original Fisherman's Wharf Restaurant Association, indicated that post 1989 when the earthquake happened, he was part of the plan to build the roadway as you see it now. At the time, he represented the Port tenants, the North Beach Chamber of Commerce and marina merchants. He worked with Stuart Sunshine. At that point, the controversy was with the roadway as it stands right now, service and what was on the roadway as it was then. Most of his people felt that the roadway should be wider as they go down towards Pier 39 and leave it at 3 lanes as it is in front of this building. That was voted down. It won't support what it has now let alone the structure that is being planned. On the northeast corridor, the City only has three north, south routes to get through the city – Van Ness, Third Street, Kearny to Columbus and the Embarcadero. He asked who drives Third Street and who goes up Van Ness Avenue. If they know they could get through some of the ancillary streets, they would be there. But the people who are visiting from the Bay Area, from Northern CA don't know that. They don't know to take Hyde Street. There will be more people on these three roadways There will be gridlock. Nobody is going to make it out from that. YMCA is being co-opted because they are being handed a free ticket. That's the reason they stand up here and give all the exulted reasons whey they should be there. There's no reason why the YMCA should be in the middle of a major retail area. He'd like to know from Mills how many cars they expect to come into their buildings. He cannot believe that anybody in their right mind would believe that 415 spaces would take care of the problem.

Bob McIntosh, President and CEO of Pier 39, talked about two main concerns he has regarding the Mills Project – traffic congestion on the Embarcadero and reduction of the rent to the Port. He made it clear that he is not concern about competition. He is concerned about a parking lot on the Embarcadero. Mills has 415 valet parking spaces. To enter the Mills project, you have to go down the Embarcadero, turn right and cross over the 29 feet wide pedestrian sidewalk as well as the bike lanes to enter the project. We all know how busy the pedestrian, sidewalk and streets are. We have walkers, joggers and bikers all day long. Traffic will not flow over the bike lane and sidewalk easily thus a major traffic back-up. Pier 39 garage this time of the year and during the summer and peak times turns over

three times a day, approximately 1000 spaces, that means 3000 cars go into Pier 39 garage on a daily peak time basis. Mills has 400; they will have the same experience – 1200 cars going in and out across that sidewalk. There will be chaos on Embarcadero. Traffic will back up every single day. Because of the traffic, business will fall off, heavily burdening the Fisherman's Wharf area. Assuming a 15 percent reduction in rent paid to the Port from Pier 39 and Blue & Gold Fleet, the rent will be reduced by $500,000. The reduction of rent from Scoma's would be $125,000; from Alioto #8 would be $120,000 – a total of $745,000 from four tenants. The $2.4 million that Mills will pay the Port will be less than what it will lose from the Fisherman's Wharf merchants.

Chris Martin, The Cannery, indicated that the Embarcadero has been the work horse for the City's waterfront, moving goods and people for nearly 100 years. Originally as the Southern Pacific's belt way and later as an elevated freeway and today as a roadway, shared with the F-line, a bike way and a pedestrian promenade, the Embarcadero is how people get from east to west. Studies have found that over 70% of the traffic to and from Fisherman's Wharf is via the Embarcadero. He imagines that any business located along the waterfront including restaurants, commercial fishing, office buildings, retailers, maritime, stadiums depend upon a functioning Embarcadero roadway. The amount of traffic that Embarcadero can handle is finite. Anyone who uses the Embarcadero on a regular basis can attest that it is very close to gridlock. The question is at what cost can the Embarcadero support a Mills mall. Mills represents that its venues are among the top visitor attractions in their respective states, averaging over 18 million consumer visits a year. Concord Mall in North Carolina attracts 60,000 cars each day and over 16 million people each year. Potomac Mills attracts over 22 million. Franklin Mills near Philadelphia 24 million annual visitors. Ontario Mills near L.A. 18 million people. Many of these communities after the mall has been built have to spend millions of dollars correcting roadway deficiencies. This City does not want another Embarcadero elevated freeway. A gridlock Embarcadero is not good for business. He urged the Commission to carefully consider the scale of this project. It might be too big. They have to look at what the infrastructure can contain. It will have an impact on the future viability and vitality of the Port.

Nan Roth, Telegraph Hill Dwellers, Waterfront Plan Advisory Board, indicated that when she served on the Waterfront Plan Advisory Committee in which she served from the first meeting in July 1991 to the last, she had a perfect attendance record. She also served on a subcommittee led by Arthur Bruzzone whose task was to ascertain whether development enabled and envisioned by the Waterfront Plan would generate sufficient cash flow to enable the Port to meet its future financial obligations. The answer was a flat out no. They found that even if you converted all of the designated opportunity areas to a big box retail which at the time was considered the use that would provide the highest return for the Port, you would still not produce sufficient cash flow to meet the Port's needs. While they were working with a very primitive program in 1992, they felt that the reality was clear. They were putting San Francisco's most valuable asset, its waterfront, out to bid under terms that were willfully adequate. She deeply appreciates what Monique is trying to do and to achieve. She asked the Commission to consider two aspects of its downside. One, as she described in the terms she had heard, the Port will be losing its premier site to a deal that would not even match the comparable terms for the remaining sites and meet the

Port's long term needs. She urged various City leaders to recognize and address this problem. She understands that given Monique's confidence and her experience with financial issues, the issues are now being acknowledge and we are in the early stages of developing a realistic plan to address it. She urged the Commission to not act in a manner that would sacrifice this prime site and extremely unpopular temporary solution when a long-term solution was on the way. Second, given that the Mills Corporation is widely viewed as having an extremely wide margin, what impact is a substantial increase in rent going to have on the programming for the site. It already appears to her that they have already rejected some of their suggested recreational activities such as an ice rink because they were not able to find a concessionaire willing to meet their terms. To what degree will the revised financial terms impact such decisions in the future. Most importantly will we five years from now, have even less recreation than we do now and more big ticket mall tenants if not an expanded mall in order for Mills to meet their corporate financial objectives.

Michael Franklin, General Manager of Levi's Plaza, indicated that the Levi's Plaza is a project directly across the Embarcadero from the proposed Mills site and the largest office project in the northern waterfront, encompassing within its 10 acres, 900,000 s.f. of office, 55,000 s.f. of retail and restaurant, 400,000 s.f. of parking, 202 condominium units and 4 acre park dedicated to the City. He does not think that he could be categorized as being anti-development. However, he is a strong advocate of reasonable development i.e. development that does as much good as possible for the area into which it is being placed and denigrates that area as little as possible. He does not believe, as a member of NEWAG and having watched this project developed and the changes to which it has gone through, that the Mills projects is what he would consider a responsible development. It is overly sized for the site into which it is going. He does not believe that the program is currently correct. The impact on parking and traffic has not been properly addressed to his satisfaction as a developer or as a member of NEWAG or as a resident of the northern waterfront. The long-term impact is something that must be considered. A project must be moved in its bottom line. While he realizes that the Port has a mandate for the highest and best usage, the fiscal return is not the only highest and best usage. The Port must realize that it is only one of the property owners in the northern waterfront and part of a larger City which has concerns all the way out to as far as the edges of Ocean beach as to what this project will do. While it's not popular to go against a project with which the YMCA is involved, he wouldn't be doing it unless it was extremely important to him as a developer, as a citizen and a member of NEWAG to see that this project is a responsible project. At this time, he does not believe it is and more time is needed to make it that.

Joe Butler, a neighbor, parent and user of the Bay, indicated that he and his family look forward to a first-class recreational facility on the waterfront both as a Citywide and regional draw and selfishly as a local extension of the parks and open space which are in short supply in that corner of San Francisco. He supports the Citizens to Save the Waterfront to resuscitate the dying mixed use project, instead the shopping mall proposed is destined to choke their corner of the city with traffic and parked cars for this office, retail plan with only a reluctantly growing component for recreation. The office, restaurant and retail uses will require at a minimum a thousand parking spaces for employees daily. Only when browsing the aisles of REI becomes an Olympic sport for the Mills proposal

and becomes a mixed-use project oriented around the active recreational pursuits. He asked the Commission to vote to require compliance with the six points from the Citizens to Save the Waterfront before it's too late.

Kevin Kaull, Resident, asked the Commission not to approve anything today. Give it 90-120 days. There's just not a mandate. Since the original and old Brown administration and the 9-0 vote to approve the Chelsea people, it's been smelly. Everybody is trying to get something done. Respectfully to the Mills people, the pier needs to be retrofitted. It has to be retrofitted and to bring business to the City. There is obviously not a mandate and a majority and an approval of how this is going to be done. The YMCA people are here and signatures from supposedly throughout District 3 but they are not the immediate neighborhood. Whether they come from the Bayview Hunters Point or from the Polk Street area, they are not the immediate residents. They are all trying to get something done just like the Mills people are. He asked the Commission to extend and consider this for 90-120 days. This is a mall project. As Mr. Martin cited, all the projects that this company puts forth are malls. They are not recreational oriented. They brought the YMCA in to help with that. They are malls for urban areas not for urban and City areas. When was the last time a mall was put on a waterfront, the most beautiful waterfront in the world.

Al Dockus, Resident of Telegraph Landing, indicated that they will be living across the street from the mall. With all due respect to Mr. Spratley when he talks about doing the science about traffic. He recalled him saying that a couple of weekends, they send people out to count cars and it wasn't that bad. If that's science, we're in real trouble. Anybody who's talked for them about transportation studies talked about these projects along the Embarcadero, talked about the number of intersections. They don't care about the number of intersections but they do care about the number of cars coming into the area. Piers 30//32, those people will get off the ship and they are not going to the ballpark, they will be headed to the northern waterfront. 370,000 s.f. of office space, 220,000 s.f. of retail, more retail, more traffic. Vitale Hotel has 200 rooms across the street. Piers 1½, 3 & 5 is another retail office. The hotel project will increase traffic on the Embarcadero. It's estimated that 35,000 cars show up on the Embarcadero during the weekday, more on weekends. Mills traffic study talked about parking, they did not cover traffic. The definition of gridlock is a traffic jam so bad, no movement is possible. He asked the Commission to have movement on the Embarcadero.

Fred Allardyce, resident and member of the THD, asked the Commission to reconsider the entire project. The Port has the most significant valuable piece of real estate in San Francisco. Right now, the project is poorly design; it's not exciting. It's gotten the neighborhood upset. Obviously, consideration for traffic and parking with 300,000 – 400,000 s.f. of office and retail is difficult to put together. He told the Commission to be proud of what they've done and sit down and do the things that Mr. Kaufman has done and other San Franciscans have given their entire business careers to making the northern waterfront a very special place.

Merylin Wong, founding director of Historic Ships Memorial at Pacific Square, a tax exempt educational organization established in 1996 asked the Commission to do something unprecedented, to bring one of our nation's most charismatic and historic ships

to the San Francisco waterfront for use as a museum and a memorial. Mr. Gomez is a veteran of the USS Iowa. She means many things to many people. It epitomizes the principles of freedom, including the freedom of speech. Pier 27 has been identified by the City in a letter to the City's Veterans Affairs Commission as the only berth that can accommodate the ship the size of the USS Iowa. She's also here out of concerns over ceremonial and temporary berthing as defined and whether that would not limit the opportunity to berth USS Iowa at the Port. There is tremendous ground swell of support. Thousands of signatures were brought in by the prospective tenant to develop Pier 27. She has on her hands thousands of signatures gathered on a short period of time asking the Commission to make the pier immediately available for this ship. The educational benefits are enormous including math, science, history, computer applications, physics, and vocational training. Moreover, she can be a catalyst for future economic development for waterfront revitalization, charitable activities and a very unique application and emergency command center. She declared their willingness as the sole applicant for this ship in the interest of preserving this national treasure and landmark that they are willing to enter into discussions with the Port in light of the competitive threat to acquire this ship for another Port. Any discussions with prospective tenants as well as Port staff would be welcome.

Joshua Hart, Program Director SF Bicycle Coalition, on behalf of their 4500 members, he expressed his serious concerns with the safety and access to this project. Specifically, the project would choke off the Herb Caen Way, a section of the Embarcadero Promenade and a section of the Bay Trail that is heavily used by pedestrians bicyclists, and skaters effectively narrowing it from 29 feet to 11 feet. 11 feet is below the standard for a multi-use path in a rural area, a rural area that doesn't' get much use. For heavily traveled urban corridor like the Embarcadero Promenade, this is simply unacceptable. The transportation consultant spoke a lot about the delays to automobiles. The number one transportation impact that should be of concern to the City is the safety of the children, the seniors, and everybody. The real impacts of this project is that it will create unprecedented conflicts where the entrance to the parking garage is located. There are 7000 cars entering and exiting that entrance per hour, mixing and conflicting with a 1000 bicycles and pedestrians an hour; that's one car every five seconds. Pedestrians on the sidewalk have the right of way. Cars yielding to the pedestrian, bicycle traffic will back up traffic on the Embarcadero or seriously conflict with non-motorized traffic. With the scale of this project, the developer should go through extraordinary lengths to improve bicycle, pedestrians and transit access to this project to try to defray some the serious auto impacts. Obviously that has not been accomplished. As a YMCA director, Mr. Collins stated that a safe public place is needed for our kids. He hopes that we can come together and find a way to provide the recreational opportunities this project promises without devastating impacts on the City's major corridor along the Embarcadero.

Bill Stephens, Executive Vice President of Historic Ships Memorial at Pacific Square, indicated that through the non-profit 501c3 that Ms. Wong just described, a decade old organization that succeeded in doing something remarkable bringing one of the nation's largest and most charismatic and historic battleship to the bay, 5700 miles, 49-day tow. The Iowa is here for San Francisco. This is a rather dynamic development for San Francisco. There are three cruise ship suitable berths. Pier 27 is the fourth berth. Iowa

needs a berth of this dimension. For the Port to ignore the value of this berth is to ignore one of the jewels in your crown at the Port. This pier is what they need for the Iowa. the Navy is going to reclassify the ship very shortly. Congress has supported relocating the ship here. It also went to the White House. The Bush Administration approved it. It's backed by Nancy Pelosi, Dianne Feinstein, Barbara Boxer, Alan Lee, Tauscher, Campbell, Lantos, Governor Davis, Governor Wilson, and Gov. Vilsack of Iowa. It has been designated by two of the City Administrations as an emergency disaster command and control center. It is an enormous asset. It could bring in $800,000 in revenue if you hit the mark of 1 million people. This ship is important to all of us. He asked the Commission to consider this ship in its dialog and negotiations. Pier 27 and this ship go together. He gave the Commission a copy of a letter from the Mayor designating Pier 27 as the berth for the ship.

Linda Scharg, resident, has a lot of concerns about safety and traffic and the 2000 s.f. for kids between 4-11 years old. She sometimes work at the Farmer's Market on Saturdays and on Green Street. The area itself is making money but all the little farmers are getting knocked out because of parking, traffic and they couldn't get there. People who have to drive and people who are handicapped cannot get there. They cannot park in the neighborhood. She has parked her car blocks away when there is something happening in the neighborhood. Her brother came into town and waited for three trolleys to go by. This is not high season right now. The economy is down. She knows that we need income, we need the piers built up but we need to look at the issues. We talked about safety, police and adding F-line. A few cars will not do it. A lot of garages are being converted.

Al Martino, Navy Veteran and affiliated with the Historic Ships Memorial at Pacific Square, indicated that the USS Iowa has a long history in San Francisco. It started when it was decommissioned in 1948 after World War II. After World War II it was here in 1951 when it was decommissioned and sent to the Korean War. It has a long history of representing the United States in many foreign and domestic ports and travelling all over the world. With its historic connection to the City, it's an asset for the City and the people of San Francisco. By having it at a pier and having people visit it and read the history of it and understand what it was like to be a part of a ship that sailed all over the world would be educational.

David Parisi, Parisi Associates Transportation Consulting, indicated that two weeks ago and tonight, the project consultant stated that with the addition of the project, there will theoretically be enough parking, traffic will flow freely, transit service will be improved and pedestrians and bicyclists will not be impacted. He's here tonight to distinguish reality from theory. One does not have to be a traffic engineer to see the facts. You don't need to apply science but you do you have to apply credible science and use common sense. For example, according to Mills consultants the northeast waterfront peak parking occupancy is theoretically only 72%. According to them, there's plenty of spaces in the historic northeast waterfront district for short-term or long-term parking needs. That is not realistic. If one is to check during a weekday period to see if one out of every four parking spaces in the area is empty, you would immediately realize that the theory does not hold. There are a few spaces, if any, which are available any one time along the metered streets, the residential parking areas or the four private garages. The project consultant claims that

with the addition of the project's traffic, the Embarcadero will operate at an accessible level of service. This summer they spent quite a bit of time on the Embarcadero and during peak periods, they know that the Embarcadero is jammed. The only way a project could result in improved level of service is that the project actually reduces traffic along the Embarcadero but it's not. According to Mills own study, the project estimated to increase daily traffic along the Embarcadero by 20%. Recent count show that over one thousand people per hour use Herb Caen Way in front of the project site. According to their traffic study, over 700 cars per hour will cross this pathway, that's equivalent to one car every 5 seconds. It won't work. The reality is that traffic will back up along the Embarcadero, blocking the bicycle lane, blocking Herb Caen Way and creating severe impacts. The developer assumes that the F-Line has available capacity; it doesn't. The bottom line is that this is a big project. It has not been thought out that well in the traffic and parking perspective. He hopes that the Commission will make the right decision tonight.

Elizabeth Richeda, 17-year old student and currently a member of the Board of Directors of the YMCA, thanked the Commission for the opportunity to provide a youth point of view. The YMCA is always open to her ideas. The YMCA has always encouraged her to assume positions of leadership in her community and she hopes that it will have the opportunity to touch more youth. Youths are an intrical part of the YMCA community and are treated as such. This organization caters to young people. This project attracts many teens around the City giving them a safe place to foster new skills and giving them a place to socialize. Many young people will gain a new area to use their time productively instead of lapsing into other rather dubious activities. The variety of activities offered by this new center speaks to every type of youth from skateboarders to volleyball players. Also unique to this area is the access to the waterfront which allows for a broad range for water activities. Many youths have never had experiences in these areas and would jump at the chance to utilize these facilities. This is an open space which welcomes all. This type of recreation center is new to the City and helps build a new sense of community. As a board member, she has talked to many teens and youths on a daily basis on behalf of the YMCA. The young people she talked to looks forward to the grand opening with extreme anticipation. She urged the Commission to support this project.

Lavonne Barnes, Executive Director of the Hunter's Point Boys & Girls Club, indicated that the gentleman who spoke on behalf of Mr. Alioto asked why the YMCA is here and who comes down Third Street. She drove down Third Street. Third Street with the light rail will bring many people to the waterfront. She was once told by Randall Robinson that if you're not at the table when the decisions that affect you are being planned, then you fail to be a part of it. She's here today on behalf of the Boys and Girls Club at the Bayview Hunters Point. She thanked Dawn Riley who is the American Cup champion. After the last meeting, they were invited to participate in her sailing, navigating activities at China Basin. She shared the pictures of the kids who participated in the event. Some of the students couldn't even swim. They took to the water, without reservation and no fear. They had complete confidence and they were excited about the outing and would like to participate more.

Sal Cisneros, Embarcadero YMCA Executive Director, indicated that this is a very

complex, very detailed project. It is important for everyone to know that when the RFP came out, he was part of the staff team that took a look at the whole concept of affordable recreation and access to the waterfront. They were extremely excited. They also knew that to make this thing work, YMCA did not have the full capacity to do all the things that needed to get done to all the piers. Port staff and their vision of what they want to get accomplished wrote in the RFP that not only a need but they would require a mixed-use project. It was the YMCA that sought partner in this project. They sought a number of partners. It was the Mills Corporation they partnered with and they couldn't' be more pleased. Every turn that this project has taken, the Mills Corporation has come back and worked with the community. The YMCA has been around for 150 years. The Embarcadero YMCA has been around for 76 years. They have been at the same location on the Embarcadero. YMCA is not going anywhere. The building they operate and the programs they serve throughout the City and over 200 locations reflect the essence of this community. He has been fortunate to be a part of a staff team that's gone out to many community meetings. There have been well over 50 meetings throughout the City. He has attended over 30 of them personally. There are thousands of individuals throughout San Francisco that will be participating in this project.

Peter Chong, Chinatown YMCA, indicated that he has been before the Commission many times before at the start of the RFP. He also dispelled something that was spoken earlier about the YMCA. At Chinatown YMCA they serve over 1700 kids every year, more than 65% of the kids obtain scholarship or financial aid to participate in their programs. They have members that come to the YMCA. Anyone that comes to the YMCA door if they cannot afford it, they will find some way to service them. They are ready to serve them. This project is very complex. There are a lot of views that come before the Commission. They are very excited. They have a teen center with over 65 kids who have never gone to the water before. The fist time they went to the water was with a partnership with America True. You can see the enormous pride they have and coming out and learning a new experience. He has 200 kids every summer that comes to the YMCA. This project will allow them to be more self-confident, be a leader, and be more responsible. This is what the YMCA is all about. Building them to become better citizens, to become leaders in the future. Everybody is working very hard on this. It is not an easy decision, easy task but he hopes that the Commission will continue to move this process ahead. It's been five long years and people are asking when it will be done. He thanked the Commission for listening and the youth and the people they serve at Chinatown look forward to one day come to a grand opening and enjoy the waterfront

Jared Eigerman, Piers 27-31 LLC, indicated that first there was a question about how much area there was for children to play in. The 2000 s.f. is just the protected play area for the childcare center. There are literally acres more of outdoor play area such as jungle gym, etc. The things raised by the Citizens to Save the Waterfront, in their six points, one of them is a call for 51% indoor recreation. There is a very real legal constraint on that i.e. the Attorney General has determined that indoor recreation is not a trust use. To have 51% indoor recreation is illegal, plain and simple. That is the law. It may be unfortunate but they went through a lot of gymnastics in figuring that out. There's a real constraint on what you can do. It's news to them that there was a letter from Heritage about whether the buildings can be put on the National Register. They have been working with the

National Park Service for three years and there have always been inset floors. The Chelsea Piers proposal also had inset floors. What's more important is that 90% of the testimony is about parking and traffic. There was testimony saying where's the science. They are in a tough spot because the Planning Department for the City is the lead agency, they cannot move forward with the environmental impact report until they have a project description. They are the keepers of the science; not the developer, the consultants or the opposition's consultants and they will not go forward until they hear from the Port Commission about what to study. The best and quickest way to get answers is to say this is the project description that they are going to study, send it to the Planning Department and they will run the numbers.

Al Norman, Bayview Hunters Point Merchants Association, supports the Mills and YMCA. YMCA and all the other youth organization are making a heck of a contribution in preventing the cycle of violence they're faced with at Bayview. He asked the Commission to approve the project. A lot of the people who live within the vicinity of this project have a lot of objections about the gridlock. The Commission can pass the project and they can work that issue out later. He's heard a lot of rhetoric tonight but it sounds more exclusive than inclusive. He hopes that the Commission think about other people and other parts of the City that want to be part of this project and not just the people who wants to maintain their exclusivity. He was born and raised in San Francisco and the only thing he remembers being able to do at the Port is to sell newspapers. He does not want his kids to be locked into that. He wants them to be able to come to the waterfront and know about boating and know about the things that the rich have been able to do up to this point. He asked the Port to approve this project so the kids will have something to do besides sitting around nothing to do. The Port needs the money.

Kris Olszewski, citizen of San Francisco and volunteer for the Dawn Riley Foundation, indicated that she has taken many kids out sailing not only in San Francisco but in Oakland, New York City and Chicago. It's amazing how their eyes open up when they can actually apply the geometry and the physics they learn in school to see how forces react and see what they can do with it. She wants the Commission to consider opening up the Port to the people of San Francisco. It's amazing that when you walk down the waterfront, you cam see the water but you can't touch it. Let people touch the water, let them go and experience it. Don't leave them locked in a City of cement.

Paul Gomez, Director of National Veterans Association of USS Iowa, a national organization that consists of 3000 veterans who served on the Iowa, indicated that Bill Stephens mentioned that Pier 27 was a favored pier by the Mayor of San Francisco. Beyond that, their association has been connected to this project for as many years as it has been on the burner. They have veterans from one corner of the country to the other. They are counting on the Commissioners to do something spectacular for them, to give them the pier and bring the Iowa and make it a museum and memorial. The battleship Iowa having a berth along the waterfront of San Francisco will be known not only in the State of California, but it will be known in Iowa. It will be known in every state of this country. It will be an international treasure where people come to San Francisco and visit the magnificent battleship.

Brad Willmore, Resident, indicated that at this point, he has gotten used to hearing gross, untrue comments spoken by the Mills Corporation. The latest of which was a remark by one of Mills speakers that 51% indoor recreation was illegal for this project. That is untrue. If you go back with the hearings with the State Lands Commission, they could transform all of the interior office space into indoor recreation space and it will all be perfectly legal and a much more appropriate use for this space. What's even more shocking in his opinion is to listen to the director of the YMCA to turn this into a class hypocritical and bigoted argument of class. He stood up and said "that unless you belong to a private club or unless you have a private boat slip with a big expensive boat in it, there is no place in this City where people can touch the water in a profound way." Crissy Field, Marina Green, Aquatic Park - all of these are places where the public can touch and interact with the water for free. They don't have to wade through a mall to get to it. They don't have to wade through an office park to get to it. They don't have to sell their souls to Mills or a big corporation to get to it. His point isn't that we got enough, we don't have enough. The problem of this project is we're giving away two thirds of it to a mall and office developer. More than anything else, this waterfront is unique, sacred and the most important physical asset in this City. It should be used for maritime uses, for berthing museums, for free recreation for the community. It should not be used for a mall or an office park which can go anywhere else.

Ernestine Weiss, Golden Gateway resident and Citywide activist, indicated that this is not a good project because of the traffic and it has not been well thought off. It is being done after the fact. In order to have a successful City, this is an opportunity to make the Port outstanding. However, we don't have balance on the port. All we have is a lot of office, retail complexes on every pier that the Port is trying to develop. We need to have balance instead of a mall. Bayview Hunters Point needs a mall. Why don't they develop it there. They need jobs. They have the land development that would be perfect for the City. The waterfront has too many retail shops, restaurants and therefore, the Port is not going to get rent from it if there is direct competition between each pier. We can't have too many of everything. She's had to put timing signals on the Embarcadero for safety because she can't cross the street. We don't need more parking on the waterfront. There's not enough space available for all the cars. There will be a Third Street rail; it will bring a lot of people. That deflects the argument that you need cars here. Let the Third Street rail people come here and enjoy it. Let people take taxis here. The taxi business needs the business.

Bill Carlson indicated that Ms. Weiss stole a bit of his thunder. This is the Mills project that never did get done at Hunter's Point. We have all the nice waterfront, the Candlestick Park. The whole thing was passed by the voters including himself but nothing happened. In the meantime, if you can actually pick and choose your time to drive down to Embarcadero, it's very enjoyable. There is no scenery in the world like it. It's better than Lake Shore Drive in Chicago. We now have an opportunity to get the Iowa here, something that is really important to our history. We don't need another shopping mall. We don't need the traffic it will create.

Mark Bruno, board member of the St. Vincent de Paul Society as well as President of the local St. Vincent De Paul in North Beach and Chinatown and Vice President of the Telegraph Hill Dwellers, indicated that it is hypocritical as Mr. Willmore mentioned to

bring race, to bring socio-economic class into this battle. None of them are against the YMCA being on the water. None of them are against helping kids. He particularly addressed Commissioner Bierman who keeps nodding every time YMCA comes up and says how great they are doing. He does a lot of things for kids. The YMCA does things for kids. There's thousands of agencies in the City that does things for kids. St. Vincent De Paul does a lot for the homeless, for kids, for transitional housing. To hide this mall, to hide behind a group of kids is a shame. The saddest he's ever seen in the City recently in politics was that in North Beach, he saw African American kids passing things for Mills. He asked them if they knew what this is all about. Not one of them did. They were paid to be there. He finds the process cynical and he is saddened by it because this is a beautiful City with an incredible history. He addressed Commissioner Bierman because she is so much part of it. She sat on the Board of Supervisors. This project should be considered carefully. The Mills Corporation, when you look at what they have done elsewhere, it's not very nice. He checked their website and all the projects they have done internationally are ugly. It's not anything he's seen in San Francisco before. What they promise on their website is that you can get on the bus from the airports including the one in Barcelona and go right into their shopping mall. He appealed to the Commission to not do this. This is the wrong project for this beautiful City.

Alan Habegger, Ice Skates of Bay Area, reminded the Commission the possibility of putting a rink into the indoor recreation space of the project. They were very close to getting one. It's his understanding that the San Jose Sharks have come forward and approached Mills about putting in a full-size indoor ice rink, a year round operation and they were going to run it as well. The response from Mills was to offer them indoor recreation space with a 14 foot high ceiling which is not workable for a rink. What Mills is proposing is an outdoor rolling rink. It's small and it's not going to be sufficient. He hopes that the Port Commission would consider getting Mills back on the table to come up with a workable plan. He represents a lot of people that are looking forward to having this rink since the time that Chelsea Piers had proposed it. They are disappointed that Mills did not include it in their proposal but they're hoping that it's not too late to get one added.

Joey Elacion, USS Iowa committee and active Marine reserve, indicated that this City deserves something like the Iowa. Iowa brings a historic memorial to the City and gives respect to the men and women who served our country and to the veterans who serve on the Iowa itself. The Iowa could bring a lot of things to the City: (1) educational programs for the kids that you don't read about in history books and (2) training. It will also serve as a disaster command center for the City and Bay area. This ship has a lot of historical value. Two great presidents were on that ship, Franklin D. Roosevelt and President Reagan, who brought it back from being decommissioned. The Iowa shouldn't be sitting 25 miles away from here. She should be sitting on one of the piers as a significant historical memorial to the veterans and to the people who are serving the country.

Julia Viera, NEWAG and SWAC and lives in the Bayview District, indicated that she cannot believe her good fortune. She has been serving on these boards since 1991 when Sue Bierman and her were on the Waterfront Advisory Board. She worked on the Ferry Building and the ballpark. To some extent, she worked on the cruise ship terminal. She saved Islais Creek Channel. She's a little old lady who has been standing up for 15 years

taking about the parking and how to get the cars here. How are we going to get the people to the ballpark. Where have all these people been. Here they are. She has been by herself for 15 years. She loves this project. She loves the YMCA and absolutely love the sailing program. She's from a sailing family and she knows something about what it cost to raise a child in a yacht club. It costs a lot of money. Our kids in the Bayview District are thrilled about sailing since they brought the boats out there. You should have seen their eyes since they have never done that before. It's about touching the water; anybody can walk and touch the water. It's getting out on the water. This is a maritime City; this port is not a hundred years old. It's well over 150 years old. As for having the Iowa here, what could be more wonderful and compatible with the sailing program. Her late husband, Capt. John Viera, learned to sail by hitching rides on fish boats. He left for the Navy and became a great captain. It would have been a lot easier if America True had a program here when he was a young boy. She asked the Commission to move forward with this project and let the EIR take care of their questions.

Commissioner Hardeman discovered that not one person commented that starting the meeting at 6 p.m. is a good idea. It would be his inclination and would prefer to start the meeting at 3 p.m. next time.

Commissioner Lazarus indicated that the issue about the Iowa is something new. She asked for staff or Mills' response of what is being proposed. Ms. Moyer replied that the folks from the Iowa have been working very hard with various political persons as they mentioned in their testimony to bring the USS Iowa to San Francisco which is the first and foremost objective. At some point, which she's not familiar with, it was determined that Pier 27 would be a good location. She believes that Port maritime staff has also other locations in mind. She does not know that one is necessarily linked to the other. She does know that there has been an expectation that the USS Iowa could possibly berth at Pier 27 and she has seen some drawings to that but obviously it will create a view issue and a shadow issue on the open space. This issue has been tabled since she has been with the Port.

Commissioner Lazarus asked if Pier 27 is not necessarily the exclusive opportunity. Ms. Moyer replied that listening to the testimony today she suspects that's not the consensus but staff is also looking at other locations as well as how the Port is going to respond to all the historic ship berthing requests that we get especially since some of them have unique economic needs that they would like the Port to assist them with. Staff plans to develop a policy to address the broader issue of historic ship berthing. There is a long tenure with the USS Iowa that includes many prominent San Franciscans as to the desire to have it here rather than another City in the West Coast.

Ms. Swanson indicated that there were two recommendations: (1) The date for Port Commission approval of the Revised Development Memorandum will be extended through November 9, 2004. (2) If the Port Commission approves the Revised Development Memorandum as of November 9, 2004, the time for presentation of the revised site plan to the WDAC and the DRB and presentation of the changes to the site plan to State Lands Commission staff shall be extended through January 18, 2005. She asked if the Commission was interested in shifting the development memorandum

approval from November 9, 2004 to January 18, 2005.

Commissioner Brandon replied that the Commission should stick with staff's recommendation. Commissioner Hardeman stated that he was not interested in changing the recommendation. Ms. Moyer indicated that her understanding is that January 18, 2005 is the absolute drop-dead date for a number of actions. The Commission may consider to back up one meeting to listen to the financial presentation.

Ms. Swanson indicated that the reason staff recommended November 9, 2004 for the endorsement is that it would give Mills and the staff an opportunity to complete their financial negotiations. One option might be to take November 9, 2004 as an opportunity for the Commission to hear that portion of the deal. To clarify, the January 18, 2005 is the date by which the Exclusive Right to Negotiate will terminate unless extended. Ms. Swanson indicated that Resolution 04-83 states that the Port Commission hereby authorizes the Executive Director of the Port to extend the time of performance benchmark #3, endorsement by Port Commission of a revised Development Memorandum through November 9, 2004. It also states that the Port Commission hereby authorizes the Executive Director of the Port to extend the time for performance benchmark #3 a presentation to the WDAC and DRB and performance benchmark #3D presentation to the State Lands Commission staff through January 18, 2005 subject to delays outside the control of the developer.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-83 was adopted.

8. NEW BUSINESS / AGENDA SETTING

Ms. Moyer indicated that with respect to the agenda setting, it's the same old list. Staff will be working hard to move them forward and should be on the calendar throughout the rest of the year.

Francisco Da Costa, Environmental Justice Advocacy, indicated that he would be remissed if he didn't remind the Commission that they're issuing the RFP for the habitat restoration to Heron's Head Park. He reminded the Commission that the children should not be taken to a toxic dump that's 75 feet away from the old Hunter's Point Power Plant. The children should not be adversely impacted.

9. PUBLIC COMMENT: No public comments.

10. ADJOURNMENT

Commissioner Brandon moved approval to adjourn the meeting; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commissioner Hsu adjourned the meeting at 9:02 p.m.

SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner
Ann Lazarus, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

AGENDA

REGULAR MEETING

3:00 P.M., TUESDAY, OCTOBER 26, 2004

PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

26/04

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1. **CALL TO ORDER / ROLL CALL**

2. **APPROVAL OF MINUTES** - October 12, 2004 Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
      - Status Report on Harry Bridges Plaza
      - U.S. Coast Guard Acknowledgment

4. **CONSENT**

   A. Request for approval to execute a Contract Service Order with Parsons, Brinckerhoff, Quade and Douglas, Inc. to provide professional environmental and engineering services for Pier 35 Pre-Dredge Testing and Reporting in the amount not to exceed $180,000. (Resolution No. 04-86)

   B. Authorization to apply for, accept and expend $150,000 of grant funds from the State Urban Parks and Healthy Communities Fund for the Brannan Street Wharf (Resolution No. 04-87) and $1,084,975 of grant funds from the California Cultural and Historical Endowment for the Pier 70 area. (Resolution No. 04-88)

5. ENGINEERING & MAINTENANCE

A. Request approval to advertise for competitive bids Contract No. 2699, Fisherman's Wharf Seawall Repair (located at Al Scoma's Way). (Resolution No. 04-84)

B. Request approval to award Construction Contract No. 2692 "Pier 35 Security Enhancements" to Galliera, Inc. dba Trico Construction and Request for Supplemental Appropriation authorizing expenditure of $1,173,349 to provide additional funding necessary to issue notice to proceed. (Resolution No. 04-85)

6. PLANNING & DEVELOPMENT

A. Request approval of a resolution adopting the proposed Port of San Francisco Embarcadero National Register Historic District, consisting of an approximately three-mile area of the waterfront along the Embarcadero, between Pier 45 in Fisherman's Wharf and Pier 48 at China Basin, including the seawall, historic piers, wharves and structures located on the wharves, and authorizing staff to submit the Historic District nomination report to the State Office of Historic Preservation and National Park Service for listing on the National Register of Historic Places. (Resolution No. 04-89)

7. NEW BUSINESS / AGENDA SETTING

- New Business

- Agenda Setting (Targeted Commission meeting, subject to change)

  - Request adoption of the Port's Proposed Surplus Furniture, Fixtures and Equipment Policy. (November 9, 2004)
  - Request approval for the Port Commission to endorse the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project. (November 9, 2004)
  - Request approval of amendment to Bay Area Economics contract. (November 9, 2004)
  - Request approval to award the contract for Embarcadero Promenade Improvements, Contract No. 2697. (November 9, 2004)
  - Request approval of Street Use Policy. (Date to be Determined)
  - Request approval of Historic Vessel Policy. (Date to be Determined)
  - Request authorization to issue a Request for Proposals for Habitat Restoration at Heron's Head Park. (December 14, 2004)
  - Request for approval of the Work Product Provisions with Stanford Hospitality, Inc. for the Embarcadero Hotel Project at Broadway on Seawall Lots 323, 324 and 322-1. (December 14, 2004)

8. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss existing litigation matter pursuant to California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case):

- In re Pacific Gas and Electric Company, United States Bankruptcy Court, Northern District of California, San Francisco; Case No. 01 30923 DM.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Plaintiff)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

b. Property: Pier 15 and 17 (at Embarcadero)
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Dr. Goéry Delacôte

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 15 and 17 (at Embarcadero).

10. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

11. ADJOURNMENT

OCTOBER/NOVEMBER/DECEMBER 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
October 26	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
November 9	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
December 14	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tom Evans, Redevelopment Agency, at 749-2539 or tom.evans@sfgov.org for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tom Evans, Redevelopment Agency, at 749-2539 or tom.evans@sfgov.org for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets jointly with BCDC's Design Review Board on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. or the Committee meets as needed on the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets.
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. & Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall, the San Francisco Public Library or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

October 20, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Approval to execute a Contract Service Order with Parsons, Brinckerhoff, Quade and Douglas, Inc. to provide professional environmental and engineering services for Pier 35 Pre-Dredge Testing and Reporting in the amount not to exceed $180,000.

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO EXECUTE A CONTRACT SERVICE ORDER WITH PARSONS, BRINCKERHOFF, QUADE AND DOUGLAS, INC. TO PROVIDE PROFESSIONAL ENVIRONMENTAL AND ENGINEERING SERVICES FOR PIER 35 PRE-DREDGE TESTING AND REPORTING IN THE AMOUNT NOT TO EXCEED $180,000.

Background:
On July 16, 2003, the San Francisco Port Commission authorized the award of an "As-Needed Engineering and Environmental Services" Contract to Parsons, Brinckerhoff, Quade and Douglas, Inc. (PB), for professional engineering services at a cost not to exceed $1,000,000. Also, at the same meeting, the San Francisco Port Commission authorized the Chief Harbor Engineer to issue separate Contract Service Orders under this contract without Commission approval in the maximum amount of $75,000. All Contract Service Orders exceeding $75,000 such as the one proposed herein must be first authorized by the Port Commission.

Introduction:
Prior to dredging any of the Port's berths or marinas, there is a lengthy permitting and sediment testing process that the Port must complete. This process is overseen by a group of seven State and Federal agencies, operating collaboratively as the Dredged Materials Management Office (DMMO). The permitting and testing process typically requires five to eight months. The testing of the sediments is required in order to determine an environmentally suitable location for disposal of the dredged sediments.

This Print Covers Calendar Item No. 4A

The Port conducts annual dredging of Berth 35 East and Berth 35 West in order to maintain the proper depths for safe berthing of cruise ships at the Port's cruise terminal. The Port schedules this dredging for the early spring. The Port's goal is to conduct the dredging after the work restrictions due to Herring are lifted in March and prior to the annual May upswing in frequency of cruise ship calls. In order to have the testing and permitting complete by March 1, sediment sampling must be conducted in late November or early December.

Scope of Contract Service Order:
Port staff is seeking authorization to issue a Contract Service Order (CSO) to the Parsons Brinckerhoff, Quade and Douglas, Inc. (PB) for $180,000, to provide environmental and engineering services for Pier 35 Pre-Dredge Testing and Reporting. The scope of work under this CSO is as follows:

- Using existing hydrographic surveys, determine appropriate areas and calculate sediment volumes for each "dredge unit" within the two berths.
- Provide personnel and equipment to obtain the required sediment core samples for bioassays and chemical tests needed to evaluate the sediments for suitability for disposal at the San Francisco Deep Ocean Disposal Site (SF-DODS). SF-DODS is located beyond the Farallon Islands, approximately 45 miles offshore of the Golden Gate Bridge.
- Provide laboratory services for both the bioassays and the chemical analyses required as per DMMO guidance.
- Evaluate the resulting data and prepare a report for submittal to DMMO.
- Enter the data into the Port's dredging database.
- In order to provide technical support, accompany the Port to the DMMO meeting at which the suitability determination for disposal will be made by the DMMO agencies. Provide any additional regulatory support needed for the project.

These environmental and engineering services will be funded through existing Port capital funds. The design of this project will be completed by June 30, 2004. Should the Port not be able to execute this Contract Service Order under this as-needed Contract with Parsons, Brinckerhoff, Quade and Douglas, Inc., the Port will not meet its dredging schedule for Pier 35.

Summary:
Port staff requests that the Port Commission authorize the Chief Harbor Engineer to issue the second Contract Service Order with Parsons, Brinckerhoff, Quade and Douglas, Inc. to provide professional engineering services for Pier 35 Pre-Dredge Testing and Reporting in the amount not to exceed $180,000.

Prepared by: Jay Ach, Manager of Environmental & Regulatory Affairs
For Ed Byrne, Acting Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-86

WHEREAS, on July 16, 2003, the San Francisco Port Commission authorized the award of an "As-Needed Engineering and Environmental Services" Contract to Parsons, Brinckerhoff, Quade and Douglas, Inc. to provide professional engineering services at a cost not to exceed $1,000,000; and

WHEREAS, on July 16, 2003, the San Francisco Port Commission authorized the Chief Harbor Engineer to issue separate Contract Service Orders under this contract without Commission approval in the maximum amount of $75,000 or less but to secure Port Commission approval of any Contract Service Order greater than $75,000; and

WHEREAS, the Port conducts annual maintenance dredging of the berths at the Pier 35 Cruise Ship Terminal; and

WHEREAS, Port staff is unable to perform the required work due to lack of specialized technical expertise and equipment in the required environmental field, and the lack of adequate resources to meet the sensitive schedule; now, therefore, be it

RESOLVED, that the San Francisco Port Commission hereby authorizes the Chief Harbor Engineer to issue a Contract Service Order to Parsons, Brinckerhoff, Quade and Douglas, Inc. to provide professional environmental and engineering services for Pier 35 Pre-Dredge Testing and Reporting in the amount not to exceed $180,000.

I hereby certify that the forgoing resolution was adopted by the San Francisco Port Commission at its meeting of October 26, 2004.

_____
SECRETARY

PORT OF SAN FRANCISCO

MEMORANDUM

October 19, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner
Hon. Ann Lazarus, Commissioner

FROM: Monique Moyer
Executive Director

SUBJECT: Authorization to apply for, accept and expend $150,000 of grant funds from the State Urban Parks and Healthy Communities Fund for the Brannan Street Wharf, and $1,084,975 of grant funds from the California Cultural and Historical Endowment for the Pier 70 area.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTIONS AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY FOR, ACCEPT AND EXPEND GRANT FUNDS.

Port staff has located two potential grant sources for projects of significance to the Port. One, through the California Department of Parks and Recreation, is suitable for the Brannan Street Wharf project. The second, through the California Cultural and Historic Endowment, is suitable for a portion of the Pier 70 development project. Port staff has reviewed the general provisions, procedural guidelines and matching funds requirements of both grants.

Brannan Street Wharf Grant – Background
The California Department of Parks and Recreation is the agency charged with managing a grant program known as the State Urban Parks and Healthy Communities Program (Urban Parks), which are funds from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, more commonly known as State Proposition 40. Port staff believes that the Brannan Street Wharf Project qualifies and would compete well for this source of funding.

Brannan Street Wharf
The Port Commission approved the Brannan Street Wharf concept design on August 26, 2003 and the Bay Conservation and Development Commission (BCDC) approved the concept design on August 7, 2003. Both agencies called for the development of the Brannan Street Wharf (the

T OF SAN FRANCISCO
TEL 415 274 0400 TTY 415 274 0587 ADDRESS Pier 1
FAX 415 274 0528 WEB sfport.com San Francisco, CA 94111

Wharf) when they reached a historic agreement in July 2000, establishing consistent policies for the San Francisco waterfront in the Port's and BCDC's plans. The Wharf is identified as a major neighborhood and destination open space in the Port's Waterfront Land Use Plan, in BCDC's amended Special Area Plan, and in the San Francisco General Plan-Northeastern Waterfront Area Plan.

Brannan Street Wharf will be a new open space defining the center of the South Beach neighborhood. It will replace Piers 34 and 36 and be 57,000 square feet of new wharf over the water parallel to the Embarcadero Promenade. It is located on The Embarcadero Promenade between Pier 30-32 and Pier 38.

The Brannan Street Wharf was also identified in the State legislation passed in 2001 (AB 1389) regarding development of Pier 30-32 for the Bryant Street Pier cruise terminal project. As per that legislation, funds for the Brannan Street Wharf are required to be fully encumbered prior to a BCDC permit being issued for the cruise terminal project, and the construction of the Wharf must be completed prior to the cruise terminal project becoming operational. Previously, the Port/BCDC agreement anticipated construction of the Wharf to be within 15-20 years from the cruise terminal construction.

The Project will be a new wharf connected to and running parallel to the Embarcadero Promenade beginning at the south edge of Pier 30-32 and extending for about 830-feet through the area of Pier 36. It will have a wedge shape with its narrowest point adding about a 10-foot wharf to the edge of Pier 30-32 and widening to about 140-feet at the south end of Pier 36. The major project components include a 400-foot length lawn area, a waterside walkway with seating, shade-sheltered picnic/game tables, and a small-craft float. The design remembers its San Francisco waterfront history by taking on the shape of Pier 36, and by placing bronze strips in the paving to note the locations of former rail lines.

The Wharf is designed flat with the lawn being in a slightly raised planter, surrounded by an 18-inch height wall. The lawn is the largest flat turf area in the South Beach neighborhood and could be used by area residents for informal active recreation as well as passive uses. A $150,000 Urban Parks grant would fund the lawn area including planter soil, drainage and irrigation; offsetting the Port's cost in construction of this necessary improvement.

The Urban Parks grant requires a 25-percent match of the total project cost. The match for this project would come from the proceeds of the sale of the adjacent Seawall Lot 330 for residential development and would not require the Port to commit any additional funds to the project.

Pier 70 Grant – Background

The California Cultural and Historical Endowment (CCHE) is the agency charged with disbursing historic resource funds of the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, more commonly known as State Proposition 40. The Port staff believes that the Pier 70 area qualifies and would compete well for this source of funding.

The Port seeks funding of $1,084,975 million for urgent capital repairs on the oldest and most remarkable Union Iron Works building at Pier 70 -- the 1885 Machine Shop (Building 113-114) and the 1895 Office Building (Building 104) -- as a partial step toward their eventual historic rehabilitation. The building has been found individually eligible for the National Trust of Historic Places, and is most probably eligible for National Historic Landmark status. It is one of "the most significant nineteenth-century industrial buildings still standing on the West Coast." [1] It is also unreinforced brick masonry and has recently been vacated because of its deteriorated condition.

This request would fund: (a) demolition of existing roof, including hazardous materials; (b) installation of new roofs and gutters; and (c) installation of a roof truss system that would eventually be necessary for the seismic reconstruction of the building.

The CCHE grant requires 50-percent matching funds (total cost is $2,169.949). The redevelopment of Pier 70 is conceived as a phased project involving the completion of a Master Plan followed by a Request for Proposals (RFP) or a series of RFPs for a developer or developers (possibly a non-profit or public agency) to carry out the aspects of the eventual rehabilitation and redevelopment of the entire site. The funds being sought under this grant -- for the Union Iron Works Machine Shop and the Union Iron Works Office Building -- are intended to be matched by the selected developer or developers and would be one of a package of incentive measures the Port is developing to attract such developers.

Commission Action

Port staff seeks Commission authorization from the Port Commission for the Executive Director to apply for, accept, and expend grant funds from the State Urban Parks and Healthy Communities Fund for the Brannan Street Wharf between Piers 30/32 and 36 and the California Cultural and Historical Endowment for the Pier 70 area.

Prepared by: Dan Hodapp,
Senior Waterfront Planner

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1 Professor Paul Groth.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-87

APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE STATE URBAN PARKS AND HEALTHY COMMUNITIES PROGRAM UNDER THE CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS, AND COASTAL PROTECTION ACT OF 2002 FOR THE BRANNAN STREET WHARF (Project)

WHEREAS, the people of the State of California have enacted the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, which provides funds to the State of California for the State Urban Parks and Healthy Communities Program; and

WHEREAS, the California Department of Parks and Recreation has been delegated the responsibility for the administration of the State Urban Parks and Healthy Communities Program and the grant Project named above within the State, setting up necessary procedures; and

WHEREAS, said procedures established by the California Department of Parks and Recreation require the Applicant's Governing Body to certify by resolution the approval of the Application before submission of said Application to the State; and

WHEREAS, if the Port is awarded a grant, the Port will enter into a Contract with the State of California for the Project; now, therefore, be it

RESOLVED, that this Port Commission:

1. Approves the filing of an Application for local assistance funds from the State Urban Parks and Healthy Communities Program under the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002; and
2. Certifies that the Applicant has or will have sufficient funds to operate and maintain the Project; and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the Contract shown in the Procedural Guide; and
4. Certifies that the Grantee has or will have available, prior to commencement of any work on the Project, the required matching funds; and
5. Certifies that the Brannan Street Wharf Project conforms to the recreation element of any applicable city or county general plan; and
6. Appoints the Executive Director as agent to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, payment requests and so on, which may be necessary for the completion of the Brannan Street Wharf Project; and be it further

RESOLVED, that this Port Commission hereby authorizes the Executive Director to seek Board of Supervisors approval to accept and expend grants, if awarded; and be it further

RESOLVED, that the Executive Director is hereby authorized to execute such additional documents or take such additional actions as is necessary to implement the construction and completion of the Brannan Street Wharf Project, including, if appropriate, indemnifying the State for liability associated with the Project to the extent approved by the City's Risk Manager and the City Attorney's Office.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 2004.

_____
Secretary

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-88

WHEREAS, the people of the State of California have enacted the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, which provides funds to the State of California for the California Cultural and Historical Endowment (CCHE) Grant Program; and

WHEREAS, the Pier 70 project which consists of building repairs and protection of two Union Iron Works Buildings (Buildings #104, and 113-114), both of which are individually eligible for listing on the National Register of Historic Places, appears eligible for funding under the CCHE Grant Program; and

WHEREAS, the California Cultural and Historical Endowment has been delegated the responsibility for the administration of the Grant Program, setting up necessary procedures; and

WHEREAS, these procedures require the Grant Applicant to certify by resolution the approval of an application before submission of the application to CCHE; and

WHEREAS, if the Port is awarded a grant, the Port will enter into a Grant Agreement with CCHE for the Project; now, therefore, be it

RESOLVED, that this Port Commission:

1) Approves the filing of a CCHE Grant Application for the Pier 70 project to be funded from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal; Protection Act of 2002; and
2) Certifies that the Port has committed to complete, operate and maintain the Project; and
3) Certifies that the Port has reviewed, understands and agrees to the listing of contents of the General Provisions of the Grant Agreement as provided in the Grant Application and if awarded a grant shall work with CCHE to mutually agree upon the General Provisions of the Grant Agreement; and
4) Appoints the Executive Director of the Port as agent to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, and payment requests which may be necessary for the completion of the Project; and be it further

RESOLVED, that this Port Commission hereby authorizes the Executive Director to seek Board of Supervisors approval to accept and expend the grant, if awarded; and be it further

RESOLVED, that the Executive Director is hereby authorized to execute such additional documents or take such additional actions as is necessary to implement the construction and completion of the Project, including, if appropriate, indemnifying the State for liability associated with the Project to the extent approved by the City's Risk Manager and the City Attorney's Office.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

October 19, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Susan Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Authorize Staff to Advertise for Competitive Bids for Construction of the Fisherman's Wharf Seawall Repair, Contract No. 2699

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ADVERTISE FOR COMPETITIVE BIDS FOR CONSTRUCTION OF THE FISHERMAN'S WHARF SEAWALL REPAIR

Introduction

Port staff requests Commission authorization to advertise for competitive bids for construction of the Fisherman's Wharf Seawall Repair project, Contract No. 2699. Execution of this work will strengthen the existing failing seawall, ensuring the structural integrity of the adjacent Port-owned structure, 'Old Wharf Smokehouse'.

Background

The 'Old Wharf Smokehouse' single-story building, fronting Al Scoma Way, is supported over bay fill retained by an existing wood-framed earth retaining structure. The retaining structure is quite old and requires repair. The Port retained the services of Olivia Chen Consultants and Moffatt and Nichol Engineers, who have prepared both a soils report and structural drawings respectively, for the repair/replacement of the retaining structure.

Port staff is seeking authorization for the solicitation of competitive bids for Contract 2699, to execute this repair work.

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Funding
The engineer's estimate of probable cost for this construction project is $250,000. The project is a Port capital-funded project, CPO529, and current funding is $300,000.

Regulatory Permitting and In-House Port of San Franciso Interdivisional Sign-off
Port staff has applied for BCDC and Army Corp of Engineer's permits, and these permits are expected by the end of December, 2004. The project will not be awarded until all required permits for this project are obtained.

Port staff is currently reviewing the project plans and specifications and all interdivisional signatures are expected by the end of October, 2004. The project will be advertised once all interdivisional comments are included and sign-offs obtained.

Project Schedule
Port staff anticipates advertising for bids in December, 2004 and awarding the construction contract in January, 2005. Staff expects to issue the Notice to Proceed in March, 2005, and the anticipated construction completion date is July, 2005. Staff will follow all HRC requirements for subcontracting goals for disadvantage businesses.

Prepared by: Joe Roger, Project Engineer

For: Ed Byrne
Acting Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-84

WHEREAS, The existing wood-framed seawall structure, supporting the bay fill under the 'Old Wharf Smokehouse' building and fronting Al Scoma Way is failing; and

WHEREAS, Consultants retained by the Port have completed design drawings for repair of the seawall; and

WHEREAS, The engineer's estimated cost of the construction project is $250,000; and

WHEREAS, The project is funded by Port capital monies, with current funding at $300,000; and

WHEREAS, Port staff has applied for BCDC and Army Corp of Engineer's permits, and these permits are expected by the end of December, 2004; and

WHEREAS, Port staff will follow all HRC requirements for subcontracting goals for disadvantaged businesses; now, therefore be it

RESOLVED, That the San Francisco Port Commission hereby authorizes Port staff to advertise for competitive bids for the construction of the Fisherman's Wharf Seawall Repair, Contract No. 2699.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 2004.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

October 20, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Award Construction Contract No. 2692 " Pier 35 Security Enhancements" to Galliera, Inc. dba Trico Construction and Request for Supplemental Appropriation authorizing expenditure of $1,173,349 to provide additional funding necessary to issue notice to proceed.

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO AWARD CONTRACT NO. 2692, "PIER 35 SECURITY ENHANCEMENTS " TO GALLEIRA, INC. DBA TRICO CONSTRUCTION AND AUTHORIZE THE EXECUTIVE DIRECTOR TO REQUEST A SUPPLEMENTAL APPROPRIATION OF $1,173,349 TO PROVIDE ADDITIONAL FUNDING NECESSARY TO ISSUE A NOTICE TO PROCEED.

INTRODUCTION

Through Commission Resolution No. 04-77, the Port Commission authorized Port staff to solicit competitive bids from contractors to partially demolish, alter and construct new security enhancements to the interior and exterior of the passenger ship terminal located at Pier 35.

On Friday, October 15, 2004 we received bids from only one Contractor, Galliera, Inc DBA Trico Construction (Trico). Trico's bid was $3,273,499 or $770,999 higher than the Transportation Security Act (TSA) grant funding of $2,502,500. When we include the normal change order contingency allowance of 10% or $327,350 and supplemental engineering construction support services of $75,000, the project's funding shortfall is $1,173,349. We are requesting authorization to submit a supplemental appropriation request for this amount from the Port's fund balance to cover that shortfall in order to meet the project completion deadline.

However, as discussed below, we hope to reduce the amount drawn from fund balance in two ways: (1) an anticipated reduced bid price from the Contractor; and (2) receiving additional

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federal Homeland Security grant funds from the Mayor's Office of Emergency Services (MOES). We will report to the Commission at the October 26, 2004 meeting any information we have on the reduced bid amount and/or the MOES federal grant funds and will report back at a subsequent Commission meeting the actual amount, if any, of the supplemental appropriation.

On Tuesday, October 19, 2004, Port staff began negotiations with the Contractor to reduce the bid price without changing the project scope. In addition, Port staff have met with the Mayor's Office of Emergency Services (MOES) to discuss using some of the City's Homeland Security grant funds to help cover the project's shortfall. As of the writing of this report, we are unable to identify the extent to which we will be able to reduce the bid amount or secure additional grant funds. We will report any new information we have at the October 26, 2004 Commission meeting.

In order for construction to take place during the window of opportunity between November, 2004 and April, 2005 when there is minimal passenger ship use, the Port Commission needs to adopt a resolution awarding the contract and authorizing the supplemental funds at the October 26, 2004 Commission meeting. The TSA grant funds must be expended by July 15, 2005.

BACKGROUND

There are several strategic initiatives occurring within Pier 35 to improve and maintain this facility as a world class cruise terminal. Some of these initiatives are required security enhancements to be funded by the TSA grant including contract 2692. As described in Table 1 below, the other security enhancements funded through the TSA grant include movable vehicular barricades and luggage partitions, movable interlocking panel partitions for passenger segregation, and a stainless steel door at the Pier 39 nursery.

The objective of the security enhancements is to prevent access to a cruise ship by anyone intent upon gaining control of said vessel. Prevention measures include enhanced separation and screening of passengers and luggage, vendors and vessel stores, and other services and personnel. Through a collaborative effort between Port divisions (Maritime, Engineering and Property Management) and Metropolitan Stevedores (the lessee management agent for the terminal), Port staff has included non-security related enhancements to the facility and ensured that the design is consistent with the longer-term strategic improvements planned at the facility. For example, the project will:

- Maintain the historic integrity and fabric of Pier 35, yet also allow for future improvements to further enhance the security, function and operations at the facility.
- Provide security lighting that will also serve to illuminate and beautify the tracery of the shed's high-bay, wood truss construction.
- Create new barriers between passenger and non-passenger areas that will provide new public views to the bay.
- Provide enhancements to segregate screened and unscreened passengers and their luggage that will result in grand public spaces that will allow for future displays of historical Port artifacts and large-scale graphical image displays.
- Provide enhanced separation that will also result in better physical organization and improved operations effectiveness.
- Provide mobile barricades and partitions that will allow flexibility in configuring and reconfiguring passenger, vessel stores and vendor operations.

The net result from this collaborative design effort will be to provide the necessary security enhancements to the pier, yet also result in visual improvements to the terminal that welcomes passengers to San Francisco.

TSA GRANT FUNDING

The Pier 35 portion of the TSA grant is $3,150,000. The Port's matching contribution ($350,000) will be in Port labor. Table 1 summarizes the Port's allocation of TSA grant funds to accomplish the required security enhancements.

Table 1. Distribution of TSA Grant Funds

ESTIMATED COST	DESCRIPTION	STATUS
$74,930	Initial Security Scoping Assessment	Completed
225,070	Design and Specifications	Completed
80,000	Hazardous material abatement and demolition	Pending
1,732,700	**Demolition, alteration and construction of new security enhancements**	**Contract 2692**
769,800	**Security system installation (security building, CCTV, card key, monitoring system, alarm, etc.)**	**Contract 2692**
75,000	Movable vehiclular barricades and luggage partitions	Pending
185,000	Movable interlocking panel partitions for passenger segregation	Pending
7,500	P39 Nursary Exit - Stainless steel door	Pending
$3,150,000	TOTAL	

This staff report only addresses the work to be performed under Contract 2692 that we originally estimated would cost $2,502,500. The other security enhancements identified in Table 1 will be occurring concurrently with Contract 2692.

OTHER FUNDING

As previously noted, on Tuesday, October 19, 2004 Port Staff met with MOES (Mayor's Office of Emergency Services) to discuss availability of funds from other grant sources. MOES advised that the are several sources of funds for security enhancements of the type specified under Contract 2692. However, they were not able to make any commitments of funding assistance at that time. MOES will report back to Port Staff either by Friday, October 22, 2004 or early next week with their recommendations. The ultimate supplemental appropriation request will reflect the amount of grant funds, if any, we receive from MOES.

SCOPE OF WORK – CONTRACT NO. 2692

The work consists of the following:

1. Demolition, cutting and patching to allow for the security enhancements to be constructed/installed.
2. Relocating specific activities and operations within the terminal to accommodate the work.
3. New security fences, gates, and exterior storefront windows to separate and secure access between public and non-public spaces.

4. New interior entry doors, walls, and glazed storefront to separate passengers (checked-in and/or screened) from the general public and vehicular areas.
5. New, interior centralized security facility and monitoring/control station that overlooks the passenger screening area.
6. New security cameras, door alarms, and card-key access, and lighting (interior and exterior).
7. New segregated baggage lay-down and claims rooms.
8. Modifying the fire alarm and sprinkler systems as required.

SCHEDULE

The important drivers to the construction schedule for this project are the TSA grant expiration date of July 16, 2005 and the cruise ship schedule for 2004 and 2005. To minimize disruptions to the existing terminal operations, the major work will be performed after the last cruise ship berth on November 21, 2004, but will conclude before the major start of the 2005 cruise season. In order to accomplish this, the following schedule must be adhered to:

Advertise:	September 18, 2004	Achieved
Receive Bids:	October 15, 2004	Achieved
Commission Award:	October 26, 2004	
Notice to Proceed:	November 15, 2004	
Start of Construction:	November 22, 2004	
Substantial Completion:	April 2005	

BID SUMMARY

Port staff advertised for bids on September 18, 2004, and held a pre-bid conference on October 5, 2004 at Pier 35, San Francisco. On Friday, October 15, 2004 we received bids from only one Contractor. The sole Contractor's bid was $3,273,499 or $770,999 more than the TSA grant funding of $2,502,500 for the scope of work. Refer to Attachment A for the bid summary. The Human Rights Commission staff set a DBE subcontracting goal of 20% for this project as required under the City's DBE ordinance (San Francisco Administrative Code Chapter 12.D.A.) The Port Engineering and Human Rights Commission staff reviewed the bid and determined that Galliera, Inc. DBA Trico Construction is a responsive, responsible bidder with a Total Bid Price of $3,273,499, and meets the DBE goal. As previously noted, the Total Bid Price submitted by Galliera, Inc. DBA Trico Construction exceeds the construction budget amount, so a supplemental appropriation is required.

On Tuesday, October 19, 2004, Port staff began negotiations with the Contractor, Galliera, Inc. DBA Trico Construction. As of the writing of this report, we have not received revised bid prices from the Contractor. However, the Contractor has advised Port staff that they will submit revised bid estimates by Friday October 22, 2004. We will report the revised bid estimates at the October 26, 2004 Commission meeting. In addition, the ultimate supplemental appropriation will reflect the reduced bid amount.

CONSTRUCTION SUPPORT COSTS

In addition to the supplemental appropriation requested for the construction work to be performed under Contract 2692, $75,000 is requested to provide engineering support from Parsons Brinckerhoff, the engineer, during the construction phase.

CONCLUSION

The window of construction opportunity is limited and the schedule to award the contract, procure material and construct the project is very tight. Any delay will cause us to miss the window of construction opportunity. The period of reduced passenger use before the deadline for TSA funding of July 15, 2005 must be utilized.

The project will significantly improve the safety and aesthetics of the terminal. This terminal is becoming a major port of call for cruise ships.

Therefore, the Executive Director recommends that the Commission authorize Port staff to award Contract No. 2692 to Galliera, Inc. DBA Trico Construction for the amount of $3,273,499, plus a 10% contingency of $327,350, and that the Commission authorize the Executive Director to accept the work once it is complete.

The Executive Director also recommends that the Commission authorize the Executive Director to request a supplemental appropriation of $1,173,349 to fully fund the project in case the Contractor is unable to reduce the bid amount and/or we are unable to secure MOES federal Homeland Security grant funds. We will report at the Commission's October 26, 2004 meeting any new information we have regarding the bid amount and additional grant funds that we can use to reduce the supplemental appropriation request. We will also report at a subsequent Commission meeting the final amount of the supplemental appropriation.

Prepared by Kim von Blohn, Project Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-85

WHEREAS, The Transportation Security Administration awarded grant DTSA20-03-G-01121 - TSA Port Security - Round 2, Project 219 in the amount of $3,150,000 for security enhancements to the Pier 35 cruise terminal; and

WHEREAS, The Port Commission Resolution No. 03-49 formally accepted the grant funds; and

WHEREAS, The Board of Supervisors Resolution No. 653-03 authorized the Port to accept and expend the grant funds; and

WHEREAS, There are several strategic initiatives occurring within Pier 35 to improve and maintain this facility until that time when the new Pier 30/32 terminal is opened for operation; and

WHEREAS, Some of these initiatives are required security enhancements to be funded by said TSA grant and Contract 2692 is but one component of such security enhancements; and

WHEREAS, The objective of the security enhancements is to prevent access to a cruise ship by anyone intent upon gaining control of said vessel, and that prevention measures include enhanced separation and screening of passengers and luggage, vendors and vessel stores, and other services and personnel; and

WHEREAS, The Port Commission, at its meeting on September 8, 2004 authorized the advertisement of the construction contract for Pier 35 Security Enhancements, Contract No. 2692 (Resolution No. 04-77); and

WHEREAS, The Port staff published the solicitation for bids on September 18, 2004; and

WHEREAS, The Port staff received one (1) bid on October 15, 2004; and

WHEREAS, The Port Engineering and the Human Rights Commission staff have reviewed the bid and determined that Galliera, Inc. DBA Trico Construction is a responsive, responsible bidder; and

WHEREAS, Galliera, Inc. DBA Trico Construction's Total Bid Price is $3,273,499 and its bid meets the 10% DBE goal; and

WHEREAS, The Total Bid Price submitted by Galliera, Inc. DBA Trico Construction plus 10% contingency, totaling $3,600,849 exceeds the construction budget amount of $2,502,500 by $1,098,349; and

WHEREAS, Additional funding of $75,000 is required for construction support from the engineer; and

WHEREAS, The portion of the project cost of $3,675,849 will be funded from TSA grant DTSA20-03-G-01123 – TSA Port Security – Round 2, Project 219 in the amount of $2,502,500; and

WHEREAS, The remaining portion of the project cost of $1,173,349 will be funded from a Supplemental Appropriation Request; now therefore be it,

RESOLVED, That the San Francisco Port Commission hereby authorizes Port staff to award Construction Contract No. 2692 for construction of security enhancements at the passenger cruise ship terminal at Pier 35 to Galliera, Inc. DBA Trico Construction for the amount of $3,600,849 ($3,273,499, plus a 10% contingency of $327,350); and be it further

RESOLVED, That the San Francisco Port Commission hereby authorizes the Executive Director to request a supplemental appropriation of $1,173,349; and be it further

RESOLVED, The Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 2004.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

October 20, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Award Construction Contract No. 2692 " Pier 35 Security Enhancements" to Galliera, Inc. dba Trico Construction and Request for Supplemental Appropriation authorizing expenditure of $1,173,349 to provide additional funding necessary to issue notice to proceed.

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO AWARD CONTRACT NO. 2692, "PIER 35 SECURITY ENHANCEMENTS " TO GALLEIRA, INC. DBA TRICO CONSTRUCTION AND AUTHORIZE THE EXECUTIVE DIRECTOR TO REQUEST A SUPPLEMENTAL APPROPRIATION OF $1,173,349 TO PROVIDE ADDITIONAL FUNDING NECESSARY TO ISSUE A NOTICE TO PROCEED.

INTRODUCTION

Through Commission Resolution No. 04-77, the Port Commission authorized Port staff to solicit competitive bids from contractors to partially demolish, alter and construct new security enhancements to the interior and exterior of the passenger ship terminal located at Pier 35.

On Friday, October 15, 2004 we received bids from only one Contractor, Galliera, Inc DBA Trico Construction (Trico). Trico's bid was $3,273,499 or $770,999 higher than the Transportation Security Act (TSA) grant funding of $2,502,500. When we include the normal change order contingency allowance of 10% or $327,350 and supplemental engineering construction support services of $75,000, the project's funding shortfall is $1,173,349. We are requesting authorization to submit a supplemental appropriation request for this amount from the Port's fund balance to cover that shortfall in order to meet the project completion deadline.

However, as discussed below, we hope to reduce the amount drawn from fund balance in two ways: (1) an anticipated reduced bid price from the Contractor; and (2) receiving additional

This Print Covers Calendar Item No. 5B

federal Homeland Security grant funds from the Mayor's Office of Emergency Services (MOES). We will report to the Commission at the October 26, 2004 meeting any information we have on the reduced bid amount and/or the MOES federal grant funds and will report back at a subsequent Commission meeting the actual amount, if any, of the supplemental appropriation.

On Tuesday, October 19, 2004, Port staff began negotiations with the Contractor to reduce the bid price without changing the project scope. In addition, Port staff have met with the Mayor's Office of Emergency Services (MOES) to discuss using some of the City's Homeland Security grant funds to help cover the project's shortfall. As of the writing of this report, we are unable to identify the extent to which we will be able to reduce the bid amount or secure additional grant funds. We will report any new information we have at the October 26, 2004 Commission meeting.

In order for construction to take place during the window of opportunity between November, 2004 and April, 2005 when there is minimal passenger ship use, the Port Commission needs to adopt a resolution awarding the contract and authorizing the supplemental funds at the October 26, 2004 Commission meeting. The TSA grant funds must be expended by July 15, 2005.

BACKGROUND

There are several strategic initiatives occurring within Pier 35 to improve and maintain this facility as a world class cruise terminal. Some of these initiatives are required security enhancements to be funded by the TSA grant including contract 2692. As described in Table 1 below, the other security enhancements funded through the TSA grant include movable vehicular barricades and luggage partitions, movable interlocking panel partitions for passenger segregation, and a stainless steel door at the Pier 39 nursery.

The objective of the security enhancements is to prevent access to a cruise ship by anyone intent upon gaining control of said vessel. Prevention measures include enhanced separation and screening of passengers and luggage, vendors and vessel stores, and other services and personnel. Through a collaborative effort between Port divisions (Maritime, Engineering and Property Management) and Metropolitan Stevedores (the lessee management agent for the terminal), Port staff has included non-security related enhancements to the facility and ensured that the design is consistent with the longer-term strategic improvements planned at the facility. For example, the project will:

- Maintain the historic integrity and fabric of Pier 35, yet also allow for future improvements to further enhance the security, function and operations at the facility.
- Provide security lighting that will also serve to illuminate and beautify the tracery of the shed's high-bay, wood truss construction.
- Create new barriers between passenger and non-passenger areas that will provide new public views to the bay.
- Provide enhancements to segregate screened and unscreened passengers and their luggage that will result in grand public spaces that will allow for future displays of historical Port artifacts and large-scale graphical image displays.
- Provide enhanced separation that will also result in better physical organization and improved operations effectiveness.
- Provide mobile barricades and partitions that will allow flexibility in configuring and reconfiguring passenger, vessel stores and vendor operations.

The net result from this collaborative design effort will be to provide the necessary security enhancements to the pier, yet also result in visual improvements to the terminal that welcomes passengers to San Francisco.

TSA GRANT FUNDING

The Pier 35 portion of the TSA grant is $3,150,000. The Port's matching contribution ($350,000) will be in Port labor. Table 1 summarizes the Port's allocation of TSA grant funds to accomplish the required security enhancements.

Table 1. Distribution of TSA Grant Funds

ESTIMATED COST	DESCRIPTION	STATUS
$74,930	Initial Security Scoping Assessment	Completed
225,070	Design and Specifications	Completed
80,000	Hazardous material abatement and demolition	Pending
1,732,700	**Demolition, alteration and construction of new security enhancements**	**Contract 2692**
769,800	**Security system installation (security building, CCTV, card key, monitoring system, alarm, etc.)**	**Contract 2692**
75,000	Movable vehicular barricades and luggage partitions	Pending
185,000	Movable interlocking panel partitions for passenger segregation	Pending
7,500	P39 Nursary Exit - Stainless steel door	Pending
$3,150,000	TOTAL	

This staff report only addresses the work to be performed under Contract 2692 that we originally estimated would cost $2,502,500. The other security enhancements identified in Table 1 will be occurring concurrently with Contract 2692.

OTHER FUNDING

As previously noted, on Tuesday, October 19, 2004 Port Staff met with MOES (Mayor's Office of Emergency Services) to discuss availability of funds from other grant sources. MOES advised that the are several sources of funds for security enhancements of the type specified under Contract 2692. However, they were not able to make any commitments of funding assistance at that time. MOES will report back to Port Staff either by Friday, October 22, 2004 or early next week with their recommendations. The ultimate supplemental appropriation request will reflect the amount of grant funds, if any, we receive from MOES.

SCOPE OF WORK – CONTRACT NO. 2692

The work consists of the following:

1. Demolition, cutting and patching to allow for the security enhancements to be constructed/installed.
2. Relocating specific activities and operations within the terminal to accommodate the work.
3. New security fences, gates, and exterior storefront windows to separate and secure access between public and non-public spaces.

4. New interior entry doors, walls, and glazed storefront to separate passengers (checked-in and/or screened) from the general public and vehicular areas.
5. New, interior centralized security facility and monitoring/control station that overlooks the passenger screening area.
6. New security cameras, door alarms, and card-key access, and lighting (interior and exterior).
7. New segregated baggage lay-down and claims rooms.
8. Modifying the fire alarm and sprinkler systems as required.

SCHEDULE

The important drivers to the construction schedule for this project are the TSA grant expiration date of July 16, 2005 and the cruise ship schedule for 2004 and 2005. To minimize disruptions to the existing terminal operations, the major work will be performed after the last cruise ship berth on November 21, 2004, but will conclude before the major start of the 2005 cruise season. In order to accomplish this, the following schedule must be adhered to:

Advertise:	September 18, 2004	Achieved
Receive Bids:	October 15, 2004	Achieved
Commission Award:	October 26, 2004	
Notice to Proceed:	November 15, 2004	
Start of Construction:	November 22, 2004	
Substantial Completion:	April 2005	

BID SUMMARY

Port staff advertised for bids on September 18, 2004, and held a pre-bid conference on October 5, 2004 at Pier 35, San Francisco. On Friday, October 15, 2004 we received bids from only one Contractor. The sole Contractor's bid was $3,273,499 or $770,999 more than the TSA grant funding of $2,502,500 for the scope of work. Refer to Attachment A for the bid summary. The Human Rights Commission staff set a DBE subcontracting goal of 20% for this project as required under the City's DBE ordinance (San Francisco Administrative Code Chapter 12.D.A.) The Port Engineering and Human Rights Commission staff reviewed the bid and determined that Galliera, Inc. DBA Trico Construction is a responsive, responsible bidder with a Total Bid Price of $3,273,499, and meets the DBE goal. As previously noted, the Total Bid Price submitted by Galliera, Inc. DBA Trico Construction exceeds the construction budget amount, so a supplemental appropriation is required.

On Tuesday, October 19, 2004, Port staff began negotiations with the Contractor, Galliera, Inc. DBA Trico Construction. As of the writing of this report, we have not received revised bid prices from the Contractor. However, the Contractor has advised Port staff that they will submit revised bid estimates by Friday October 22, 2004. We will report the revised bid estimates at the October 26, 2004 Commission meeting. In addition, the ultimate supplemental appropriation will reflect the reduced bid amount.

CONSTRUCTION SUPPORT COSTS

In addition to the supplemental appropriation requested for the construction work to be performed under Contract 2692, $75,000 is requested to provide engineering support from Parsons Brinckerhoff, the engineer, during the construction phase.

CONCLUSION

The window of construction opportunity is limited and the schedule to award the contract, procure material and construct the project is very tight. Any delay will cause us to miss the window of construction opportunity. The period of reduced passenger use before the deadline for TSA funding of July 15, 2005 must be utilized.

The project will significantly improve the safety and aesthetics of the terminal. This terminal is becoming a major port of call for cruise ships.

Therefore, the Executive Director recommends that the Commission authorize Port staff to award Contract No. 2692 to Galliera, Inc. DBA Trico Construction for the amount of $3,273,499, plus a 10% contingency of $327,350. The contract will be certified to match available funds.

The Executive Director also recommends that the Commission authorize the Executive Director to request a supplemental appropriation of $1,173,349 to fully fund the project in case the Contractor is unable to reduce the bid amount and/or we are unable to secure MOES federal Homeland Security grant funds. We will report at the Commission's October 26, 2004 meeting any new information we have regarding the bid amount and additional grant funds that we can use to reduce the supplemental appropriation request. We will also report at a subsequent Commission meeting the final amount of the supplemental appropriation.

Prepared by Kim von Blohn, Project Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-85

WHEREAS, The Transportation Security Administration awarded grant DTSA20-03-G-01121 - TSA Port Security - Round 2, Project 219 in the amount of $3,150,000 for security enhancements to the Pier 35 cruise terminal; and

WHEREAS, The Port Commission Resolution No. 03-49 formally accepted the grant funds; and

WHEREAS, The Board of Supervisors Resolution No. 653-03 authorized the Port to accept and expend the grant funds; and

WHEREAS, There are several strategic initiatives occurring within Pier 35 to improve and maintain this facility until that time when the new Pier 30/32 terminal is opened for operation; and

WHEREAS, Some of these initiatives are required security enhancements to be funded by said TSA grant and Contract 2692 is but one component of such security enhancements; and

WHEREAS, The objective of the security enhancements is to prevent access to a cruise ship by anyone intent upon gaining control of said vessel, and that prevention measures include enhanced separation and screening of passengers and luggage, vendors and vessel stores, and other services and personnel; and

WHEREAS, The Port Commission, at its meeting on September 8, 2004 authorized the advertisement of the construction contract for Pier 35 Security Enhancements, Contract No. 2692 (Resolution No. 04-77); and

WHEREAS, The Port staff published the solicitation for bids on September 18, 2004; and

WHEREAS, The Port staff received one (1) bid on October 15, 2004; and

WHEREAS, The Port Engineering and the Human Rights Commission staff have reviewed the bid and determined that Galliera, Inc. DBA Trico Construction is a responsive, responsible bidder; and

WHEREAS, Galliera, Inc. DBA Trico Construction's Total Bid Price is $3,273,499 and its bid meets the 10% DBE goal; and

WHEREAS, The Total Bid Price submitted by Galliera, Inc. DBA Trico Construction plus 10% contingency, totaling $3,600,849 exceeds the construction budget amount of $2,502,500 by $1,098,349; and

WHEREAS, Additional funding of $75,000 is required for construction support from the engineer; and

WHEREAS, The portion of the project cost of $3,675,849 will be funded from TSA grant DTSA20-03-G-01123 – TSA Port Security – Round 2, Project 219 in the amount of $2,502,500; and

WHEREAS, The contract will be initially certified to match available funds from the TSA grant; and

WHEREAS, The remaining portion of the project cost of $1,173,349 will be funded from a Supplemental Appropriation Request; now therefore be it,

RESOLVED, That the San Francisco Port Commission hereby authorizes Port staff to award Construction Contract No. 2692 for construction of security enhancements at the passenger cruise ship terminal at Pier 35 to Galliera, Inc. DBA Trico Construction for the amount of $3,600,849 ($3,273,499, plus a 10% contingency of $327,350); and be it further

RESOLVED, That the San Francisco Port Commission hereby authorizes the Executive Director to request a supplemental appropriation of $1,173,349; and be it further

RESOLVED, The Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 2004.

_____

Secretary

PIER 35 SECURITY ENHANCEMENTS CONTRACT NO. 2692

EXHIBIT A - BID SUMMARY RESULTS

BID SUMMARY
PORT OF SAN FRANCISCO

Project: Pier 35 Security Enhancements
Contract No.: 2692
Project Manager: Kim von Blohn
Bids Opening Date: 15-Oct-04

			Bidder
			Galleira, Inc. DBA Trico Construction 445 Hampshire Street San Francisco, CA 94110 (415) 552-8439
Bid Item	**Bid Item Description**	**Quantity**	**Amount**
1	Demolition	Lump Sum	$59,074.00
2	Security System	Lump Sum	$777,285.00
3	Mechanical and Electrical Systems (Division 15 and 16 Technical Specs)	Lump Sum	$841,094.00
4	Chain-Link Fences and Gates	Lump Sum	$173,934.00
5	Site Work, Construction, Caprentry, Finish Work	Lump Sum	$1,309,829.00
6	Painting	Lump Sum	$112,283.00
	Total Bid Price (Summation of Bid Items 1-6 Above)		**$3,273,499.00**
Alternative No.		**Priority**	
1	Mezzanine Exit Lobby (Detail 2, Drawing No. A1.8) and Work Shown on Drawing No. A3.4 DEDUCT LUMP SUM	1 (Highest Priority)	$3,000.00
2	Wharfinger's Office Interior Work Detail 1, 3, 4, 5, 6 and 8 Shown on Drawing No. A5.0. DEDUCT LUMP SUM	2	$30,000.00
3	Improvements to Room 110, Pump Station , and Room 107A. DEDUCT LUMP SUM	3	$8,000.00
4	Painting. DEDUCT LUMP SUM	5 (Lowest Priority)	$86,500.00
5	Finish Carpentry Interior Siding. DEDUCT LUMP SUM	4	$12,000.00
	Total Bid Price Minus Alternative 4		$3,186,999.00
	Total Bid Price Minus Alternatives 4 & 5		$3,174,999.00
	Total Bid Price Minus Alternatives 3, 4 & 5		$3,166,999.00
	Total Bid Price Minus Alternatives 2, 3, 4 & 5		$3,136,999.00
	Total Bid Price Minus Alternatives 1, 2, 3, 4 & 5		$3,133,999.00
			APPARENT LOW BIDDER

PORT OF SAN FRANCISCO

MEMORANDUM

October 20, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Port of San Francisco Embarcadero National Register Historic District Nomination

DIRECTOR'S RECOMMENDATION: APPROVE THE HISTORIC DISTRICT NOMINATION AND AUTHORIZE STAFF TO SUBMIT IT TO THE STATE OFFICE OF HISTORIC PRESERVATION AND NATIONAL PARK SERVICE TO ACHIEVE APPROVAL OF THE LISTING OF THE PORT OF SAN FRANCISCO EMBARCADERO HISTORIC DISTRICT ON THE NATIONAL REGISTER OF HISTORIC PLACES.

Background

On September 14, 2004, the Commission held a public hearing on the proposed Port of San Francisco Embarcadero National Register Historic District, which includes the area between Pier 45 and Pier 48. The purpose of the hearing was to provide the Commission and the public an opportunity to comment on the nomination, prepared by a consultant team led by Senior Architectural Historian Michael Corbett, before it is presented to the Commission for approval and submittal to the State Office of Historic Preservation. A detailed discussion of the Historic District issues and resources, and the relationship with Port leasing and redevelopment projects, is presented in a staff memorandum to the Commission, dated September 8, 2004, which is incorporated by reference.

At the September 14, 2004 Commission meeting, two issues were raised that required further follow up work by the staff:

1) Pier 36 – Residents and representatives from the South Beach neighborhood and Rincon Point-South Beach Citizens Advisory Committee opposed the inclusion of Pier 36 in the Historic District as a contributing resource, citing the planning and decisions made to demolish this pier to construct the Brannan Street Wharf park; and

This Print Covers Calendar Item No. 6A

2) Pier 35-45 Bulkhead Wharf – John Sanger, of Sanger & Olson, representing the interests of Pier 39 Limited Partnership and Blue & Gold Fleet, presented his clients' opposition to the inclusion of Bulkhead Wharf Sections A, B and 1 in the Historic District, given the substantial changes, new building and alterations in this area as part of the Pier 39, Aquarium of the Bay, and Blue & Gold Fleet developments.

Staff has worked with these stakeholders, the preservation community, and staff of the San Francisco Bay Conservation and Development Commission (BCDC) to address and resolve these issues, as described further below. In addition, this staff report addresses other developments regarding Bulkhead Wharf Section 9a, and correspondence received regarding labor history concerns.

Pier 36

In previous Port Commission and BCDC actions in 2000, and in Port Commission actions approving the Bryant Street Pier Project, the removal of Pier 36 was approved to make way for the construction of the Brannan Street Wharf Park in the South Beach waterfront. Those actions occurred prior to completion of the draft Historic District nomination which includes Pier 36 as a contributing resource to the District. While portions have collapsed and the facility is in deteriorating condition, Mr. Corbett recommended the inclusion of Pier 36 in the Historic District nomination because it represents, along with Piers 38 and 40, the earliest example of reinforced concrete pier sheds, and was one of a few rail ferry terminals along the waterfront.

As described in the earlier September 8, 2004 staff report, the removal of a National Register-eligible resource such as Pier 36 would constitute a significant adverse effect on the environment, under the California Environmental Quality Act (CEQA). This triggers the need for further CEQA environmental review to be completed before any other approvals for the Brannan Street Wharf project can be secured. Several members of the public and South Beach community commented that Pier 36 should be excluded from the Historic District nomination, believing that this would obviate the need for lengthy environmental review by the City, which could delay the demolition of the pier and in turn, the construction of the park. However, even if excluded from the District, Pier 36 would still be historically significant based on the research presented in the Historic District nomination, and thus would not avoid the requirement for further CEQA analysis.

Since then, Port staff has met with San Francisco Cruise Terminal LLC (SFCT), the developer of the Bryant Street Pier Project and construction contractor for the Brannan Street Wharf, and BCDC staff. In order for the Brannan Street Wharf project to proceed, the Port and SFCT must secure a permit from BCDC; all other required City and Port approvals for the Brannan Street Wharf have already occurred. At the request of the Port, BCDC has agreed to act as lead agency, rather than the City, to prepare the additional environmental analysis as part of its permit process. BCDC must analyze environmental impacts, mitigation measures and adopt findings as required under CEQA but, as a State agency, follows different, more streamlined procedures than those in San Francisco. The result is that the additional environmental review would be carried out with less potential to delay the Brannan Street Wharf, scheduled for completion in late 2006. This approach for meeting the additional CEQA requirements was discussed with the interested parties and the South Beach CAC, and has been accepted as the most effective solution.

Pier 35-45 Bulkhead Wharf Sections A, B & 1

At the September 14, 2004 public hearing, John Sanger presented the concerns of his clients, Pier 39 Limited Partnership and Blue & Gold Fleet regarding Bulkhead Wharf Sections A, B and 1 extend alongside the Seawall, from Pier 35 to 45 (See Map Exhibit B). Approximately three-quarters of this length are included in facilities under lease to Pier 39 and Blue & Gold. The bulkhead substructures in Sections A and 1 are proposed as contributing resources in the District, and Section B as a non-contributing resource. Section B's non-contributing status is due to the fact that it was reconstructed after 1946, but continues to provide a physical connection with adjacent historic bulkhead wharf segments and visual continuity extending to Pier 45, the northern terminus of the District.

Mr. Sanger expressed his clients' disagreement with the inclusion of any of these bulkhead wharf sections in the District. The extensive redevelopment of the area to create Pier 39 and marina, the Aquarium of the Bay, Red & White Ferry terminal at Pier 41-1/2 (now under lease to Blue & Gold Fleet), and Pier 43 public access improvements, which involved relocating a portion of the Embarcadero roadway inland, replaced most of the area's original historic character. While acknowledging that much of the pile and original bulkhead wharf substructure is still in place (the primary reason for their inclusion in the District), Mr. Sanger pointed out that the absence of any historic structures and materials at the deck surface level and above reduced the integrity of, and basis for the inclusion of these facilities in the Historic District. He stated the concern that the inclusion of this area in the Historic District would hamper future efforts by Pier 39 or Blue & Gold to repair, alter or build new structures in the area. Since the current structures and park improvements are not historic nor have any relationship with the resources or issues upon which the Historic District is based, he does not believe it appropriate to apply Secretary of Interior Standards to review future alteration and construction proposals, especially in light of BCDC, Planning Commission and Port design guidelines that are in place for this purpose. Mr. Sanger also expressed the need for revisions to the Historic District nomination report to include more details regarding the extent and type of redevelopment that has occurred in this area.

At the September 14th public hearing, Port staff gave a status report of efforts then underway to resolve this issue, acknowledging the degree of change described by Mr. Sanger. Mark Paez on behalf of the Port's Planning & Development Division outlined a proposal to identify designated areas within which Pier 39 or Blue & Gold would be allowed to propose development changes that would be accepted as consistent with the Secretary's Standards. Staff was directed to continue discussions with the interested parties in an effort to resolve this issue before returning to the Commission for action on the Historic District nomination.

Since that time, staff has worked closely with Mr. Sanger and preservation representatives to evaluate the urban design, historic preservation, public access and other policies and design criteria contained in the Waterfront Design & Access Element (WDAE) of the Waterfront Land Use Plan. There was consensus that the WDAE provides the appropriate context, scope, and design direction to shape future proposals in Bulkhead Section A, B and 1 to be appropriately designed and sensitive to the Historic District. As such, it was agreed that, for the purposes of reviewing alterations or new construction proposals affecting the deck surface level or above for Bulkhead Wharf Sections A, B and 1 only, the WDAE is equivalent to the Secretary's Standards. In those instances, the WDAE should be relied upon instead of the Secretary's Standards, because it is tailored to protect and enhance the urban design attributes specific to the San Francisco waterfront, and integrates historic preservation and BCDC public access, view and design principles. **The agreement to the use of the WDAE to review**

future projects in this area supercedes the staff proposal that was presented at the September 14th public hearing.

With respect to Mr. Sanger's comment that the Historic District nomination report be revised to incorporate more details regarding redevelopment and alterations that have occurred within Bulkhead Wharf Sections A, B, and 1, this will occur. Mr. Sanger has drafted this information, and the nomination report will be revised to incorporate these additional facts prior to submitting it to the State Office of Historic Preservation.

With respect to Mr. Sanger's concern regarding his clients' ability to carry out ordinary maintenance and repairs to their facilities under lease without constraint from the Historic District designation, this matter also was discussed with the preservation representatives. Even more so, this is an issue for the Port, which has maintenance responsibility for most facilities. Recognizing that ordinary maintenance and repairs have occurred throughout the life of the waterfront to meet current public and safety requirements, the Port's continued work for this purpose in the future will be recognized as consistent with the Secretary's Standards.

To memorialize these discussions and understandings in the context of approving the nomination for the Embarcadero National Register Historic District, staff developed Historic Preservation Review Guidelines which describe how certain types of conditions or activities will be reviewed within the District. The guidelines have been reviewed by the interested parties, and are attached in Exhibit A. These guidelines will be included as an Appendix in the Historic District nomination report.

Agriculture Building to Pier 22-1/2, Bulkhead Wharf Section 9a

In the September 8, 2004 Commission staff report regarding the Historic District, Port staff reported that there was one remaining unresolved issue with Mr. Corbett's recommendations regarding Bulkhead Wharf Section 9a. Section 9a, now a series of remnant piles located between the Agriculture Building and the Fire Department Station 35 at Pier 22-1/2, originally was proposed as a non-contributing resource to the Historic District. The Port staff did not agree with this recommendation given the extensive deterioration and loss of materials of this facility, including the entire bulkhead wharf deck. After further review, Mr. Corbett has concurred that Bulkhead Section 9a should be discussed in a separate chapter of the nomination report regarding waterfront piers and structures that have been lost, and is no longer proposed for inclusion in the Historic District. The nomination report will be revised accordingly.

Labor History

At the September 14th public hearing, Tim Kelley expressed his concern that more information and research is needed regarding waterfront labor history. Mr. Kelley sent a letter to the Port, dated August 27, 2004, outlining a proposal for funding and carrying out more labor history research, separate from that produced as part of the Historic District nomination report.

After conversations between Mr. Kelly and staff, the Port responded, describing a modified process to develop additional labor history research, to be carried out by developers as part of pre-development studies for new historic rehabilitation projects. Both letters are presented in Exhibit C. While further discussions may result in refinements and modifications regarding the details of this effort, staff agrees with the desire and need to expand the Port's and public's understanding and appreciation of

waterfront labor history. Given the virtually unlimited research potential of this topic, such efforts will require a clear scope of work that defines the type and level of detail of the research to be completed. The information gathered should be educational to the general public and should inform the design and development of historic rehabilitation projects. Port staff has suggested that the preservation community could play an important role in defining parameters for such research in advance, which can be included in development project RFP's.

It is recognized that waterfront labor history is discreet from architectural history research and may warrant a separate consultant to conduct the research. However, the completion of this work should be coordinated with the overall project schedule to ensure that information is available at a point when it can be considered in the project design process, and/or the development of interpretive exhibits or materials that may be created in new projects.

Conclusion

Much effort has been expended to develop the Port of San Francisco Embarcadero National Register Historic District nomination report. Not only is it the most comprehensive and detailed review of the Port's extraordinary collection of waterfront resources and history, it has involved a public process with BCDC, historic preservation experts and waterfront stakeholders in the South Beach and Telegraph Hill communities, as well as Port tenant and Port Advisory Groups. The Historic District has been evaluated not only for its documentary content, but the implications for future property management, leasing and development projects.

In summary, the Historic District nomination will be revised further for the following purposes described below, prior to submitting it to the State for further review. That process will consist of review by staff of the State Office of Historic Preservation and the National Park Service, approval action by the State Historical Resources Commission, at which point the nomination will be forwarded to the National Park Service for listing on the National Register of Historic Places.

- To address public concerns and increase certainty regarding how the Historic District will be interpreted, and the Secretary of the Interior's Standards applied to certain types of future projects within the District, including ordinary maintenance and repairs, and alterations within the Pier 35-45 area, the Port and community have worked together to develop Historic Preservation Review Guidelines, as presented in Exhibit A. These review guidelines will be included as an appendix in the nomination report.

- The discussion regarding Bulkhead Wharf 9a between the Agriculture Building and Pier 22-1/2 will move to the Section of the nomination describing resources that have been lost, rather than proposing it as a non-contributing resource in the District

- Factual and typographical corrections will be incorporated, including those describing in more detail the nature and extent of alteration and contemporary development in the Pier 35-45 area, and corrections to ensure internal consistency within the report.

In response to waterfront labor history concerns, staff recommends that developers of future historic rehabilitation projects be required to include consultant-generated research of waterfront labor history information pertinent to the project site and vicinity. This will enable the Port to expand knowledge and information in this area as new opportunities emerge.

The Embarcadero National Register Historic District is a milestone accomplishment for the Port's ongoing efforts to preserve as many of its historic piers as possible and adapt them to new uses that continue the renaissance of The Embarcadero. The piers and bulkhead buildings and Herb Caen Way promenade have become icons for the City and establish the foundation of the Historic District. San Franciscans have a strong attachment to these waterfront resources. This, combined with the financial and regulatory advantages afforded historic rehabilitation projects that meet Secretary of Interior Standards, creates the Port's best opportunity to realize a mix of activities and amenities that invite the public to this extraordinary urban waterfront, and which celebrates San Francisco's unique history and identity.

Submitted by: Diane Oshima
Assistant Deputy Director, Waterfront Planning

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-89

WHEREAS, In 2000, the Port and San Francisco Bay Conservation and Development Commission (BCDC) approved amendments to their respective plans that established a comprehensive set of policies to guide waterfront development, including seismic retrofit and rebuilding of piers for major redevelopment projects on piers, integrated with removal of specified piers and the creation of new major open space parks and public access along The Embarcadero waterfront, north of China Basin; and

WHEREAS, As part of this package of plan amendments, the Port committed to prepare a nomination for an Embarcadero National Register Historic District for listing on the National Register of Historic Places; and

WHEREAS, In December 2001, the Port hired URS Corporation to prepare the historic district nomination report; and

WHEREAS, The draft nomination report, completed in April 2004, is comprehensive in scope, addressing the physical waterfront historic resources from Pier 45 to Pier 48; the development and governance of the Port by the State Board of Harbor Commissioners; engineering and technological changes that shaped the waterfront's development; and labor history during the period of historic significance from 1878 to the end of World War II in 1946; and

WHEREAS, The Port and URS sought and received substantial advice and consultation on the extensive research generated in this report with staff of BCDC, the State Office of Historic Preservation, National Park Service, and consultation with San Francisco Architectural Heritage and representatives of the local preservation community; and

WHEREAS, The boundaries of the Embarcadero National Register Historic District include Contributing and Non-contributing resources, including the Seawall, bulkhead wharf segments, and piers, pier sheds, bulkhead buildings, and other waterfront structures as further detailed in the Historic District nomination report; and

WHEREAS, The nomination report identifies Pier 36, Pier 40, 22 sections of the bulkhead wharf and four waterfront café structures as contributing resources in the historic district, although they had not been identified in previous historic resource surveys; and

WHEREAS, Port and BCDC approved plans call for the removal of Pier 36 and the adjacent bulkhead wharf for the development of the Brannan Street Wharf public park in South Beach which, because these facilities have been defined as contributing resources in the Historic District nomination, are subject to further environmental review to comply with the California Environmental Quality Act (CEQA); and

WHEREAS, The Port remains committed to development of the Brannan Street Wharf, and is coordinating with BCDC and San Francisco Cruise Terminal LLC to ensure that the additional CEQA environmental analysis is completed as part of BCDC's permit process required to be completed before construction of the Brannan Street Wharf park commences, which construction is scheduled for completion in late 2006; and

WHEREAS, The Embarcadero National Register Historic District will greatly benefit Port historic rehabilitation projects by providing access to the Federal Rehabilitation Tax Credit program, which provides developers with a source of funds of up to 20% of the costs of historic rehabilitation, and thus benefit the Port through improved base and participation rent for historic rehabilitation projects, such as occurred for the Ferry Building and Pier 1 developments, and further benefits such projects by providing developers more flexibility than for non-historic buildings in complying with public trust requirements, as may be interpreted and applied by the State Lands Commission; and

WHEREAS, As part of the pre-development phase of historic rehabilitation projects, developers hire historic consultants to conduct site-specific historic architectural research which scope, as part of future development projects, will be expanded to include qualified historic consultant-generated research that will provide information about the waterfront labor history of the project site and vicinity; and

WHEREAS, The creation of the Embarcadero National Register Historic District will not result in a change in the status of any Port tenant leases and continues to allow tenants or the Port to propose alterations to historic resources, which alterations will continue to be subject to Port review through the Port building permit process and, as applicable, BCDC or other regulatory requirements, to ensure they comply with the Secretary of the Interior Standards for Rehabilitation ("Secretary Standards") and applicable environmental review requirements under CEQA and applicable federal review requirements when the project requires decisions by federal agencies; and

WHEREAS, Ordinary maintenance and repair of the Port's historic resources as further described and defined in Exhibit A has been, and will continue to be, carried out and will be recognized as consistent with the Secretary of the Interior Standards; and

WHEREAS, Bulkhead Wharf Section A, B and 1, located between Pier 35 and 45, have undergone significant alterations and new construction as part of the redevelopment in the area to create Pier 39 and marina, Aquarium of the Bay, the Red & White Ferry Terminal facility at Pier 41½ , now under lease to Blue & Gold Fleet, and public access and landscaping improvements associated with those developments, which alterations warrant special consideration regarding the design standards that should be used to review future alteration and construction proposals in these bulkhead wharf sections; and

WHEREAS, The unique opportunities and developer incentives that will be available under the Embarcadero National Register Historic District are critically important to attract the private investment required to preserve and rehabilitate as many of the District historic resources as possible; now, therefore, be it

RESOLVED, The Embarcadero National Register Historic District provides formal, national recognition of one of the last and most intact collection of piers, bulkhead buildings and associated waterfront historic resources in the United States and a permanent account of not only the physical resources contained within, but also the birth, development and workings of the Port from 1878 to 1946; and be it further

RESOLVED, As part of the pre-development phase of historic rehabilitation development projects, developers will be required to hire qualified historic consultants to conduct research to provide information about the waterfront labor history of the project site and vicinity, similar to efforts to carry out historic architectural research wherein both efforts, even if conducted by separate consultants, must be coordinated in terms of scope and schedule with the design and schedule needs of the development project; and be it further

RESOLVED, The Commission hereby approves the Embarcadero National Register Historic District nomination report, substantially in the form on file with the Secretary of the Port Commission and as further refined and edited for clarity, internal consistency, and incorporation of additional facts to document Historic District resources; and be it further

RESOLVED, The Commission directs the Executive Director to include the Historic Preservation Review Guidelines, presented in Exhibit A, as an appendix to be included in the Historic District nomination report, to provide more definition and explanation of how the Historic District will be interpreted and Secretary of Interior Standards applied for specified types of activities and proposals, including ordinary maintenance and repair, and changes to non-contributing resources or features within Bulkhead Wharf Section A, B and 1, between Pier 35 and 45; and be it further

RESOLVED, The Commission hereby authorizes and directs the Executive Director, or her designee, to formally submit the Embarcadero National Historic District nomination report, as revised to incorporate corrections and additional information described in the October 20, 2004 Commission staff report, to the State Office of Historic Preservation for review and action by the State Historical Resources Commission, and the National Park Service for listing on the National Register of Historic Places; and be it further

RESOLVED, The Commission hereby authorizes and directs the Executive Director, or her designee, to take all such further actions as are required for the listing of the Embarcadero National Register Historic District on the National Register of Historic Places to the extent that such actions do not materially alter the content or intent of the Historic District documentation, or Port's understanding of the interpretation of the Historic District as described in the Historic Preservation Review Guidelines in Exhibit A.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of October 26, 2004.

_____

Secretary

Exhibit A

Historic Preservation Review Guidelines for
Pier and Bulkhead Wharf Substructures,
Including Sections A, B and 1 of the Bulkhead Wharf
Developed: October 20, 2004

As part of the preparation of the Port of San Francisco Embarcadero Waterfront National Register Historic District nomination, the following guidelines were developed to define the application of the Secretary of the Interior's Standards (Standards) to projects involving Contributing pier substructures, including pier aprons, Contributing and Non-contributing sections of the bulkhead wharf, and Non-contributing resources and features located on certain piers and the bulkhead wharf. These guidelines include specific provisions that apply only to Sections A, B and 1 of the bulkhead wharf in response to the particular conditions and extent of Non-contributing resources and features in the Pier 35 to 45 area of the Historic District, as described in the nomination report. For reasons associated with such unusual non-historic conditions in this area of the Historic District, the Standards require adaptation to existing conditions. These guidelines shall govern the Port's application of the Standards, as described below, for the conditions and locations to which they apply.

I. Pier and Bulkhead Wharf Substructures

The historic piers and resources in the Embarcadero Historic District are made up of pile-supported platforms upon which pier shed and bulkhead building structures were built to conduct maritime commerce. The substructure of the piers and bulkhead wharf, described in detail in Section 7 of the Embarcadero Historic District nomination, consists of vertically driven piles, topped by stringer and pile cap beams, which create the horizontal structural framework upon which pier decks rest. Beneath these structures, the tides of the San Francisco Bay ebb and flow. Pier substructures are defined to include pier aprons, which are constructed at the perimeter of piers, generally used to provide a pile-supported platform for ship berthing and outdoor working area. In most instances, pier aprons are constructed of wood and have a shorter life span, requiring more maintenance than steel and concrete substructures.

Within this complex, the bulkhead wharf is an important feature. It is comprised of 23 individual sections that extend end to end throughout the historic district, adjacent and connected to the Seawall, which establishes the constructed edge of the waterfront between piers. In addition, the bulkhead wharf plays an important role in defining the Embarcadero's urban form, which supports maritime, public access and commercial recreation/retail functions.

The character defining features of pier and bulkhead wharf substructures include:

- Location – Arranged perpendicular to the seawall projecting out into the Bay (piers and aprons), or parallel and attached to the Seawall (bulkhead wharves) throughout the district, forming the Bay edge.

- Dimensions - Variable width and length. In the case of the bulkhead wharf, the width and length of the resource generally corresponds to the dimensions of the underlying section of the seawall to which it is attached.

- Design - A cantilevered, pile-supported deck that extends out ward into the Bay from the top of the seawall or bay edge of the bulkhead wharf. Pier and bulkhead substructures also serve as supporting foundations for pier/transit sheds, bulkhead and other buildings, or provide open air access between pier facilities, berthed vessels, and the Embarcadero.

- Materials – Generally, concrete and steel construction (see Section 7 for site-specific details). Pier aprons may be constructed of wood. Decking material may be wood or concrete, with or without an asphalt or concrete surface treatment and protection.

- Function - Utilitarian function as a maritime, public access, commercial recreation/retail facility.

The Port will review and evaluate permits, approvals and necessary entitlements for work involving pier and bulkhead wharf substructures as follows:

1. Ordinary Maintenance, Repair and Required Alteration
For the purposes of applying the Standards to the pier and bulkhead wharf substructures, ordinary maintenance and repair shall be defined as any work for the purpose of correcting deterioration, decay or damage, including damage caused by fire or other disaster, as determined necessary to meet current public and life safety requirements. This includes structural and seismic upgrades to maintain the structural integrity of pier and bulkhead wharf substructures, to allow them to continue to support existing features, structures, uses and activities, including Non-contributing resources and features. Work within the scope of this definition shall be found to conform to the applicable Standards:

1) A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.

2) The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.

3) Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.

4) Changes to a property that have acquired historic significance in their own right will be retained and preserved.

5) Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

6) Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

Review Criteria

Ordinary maintenance and repair of pier and bulkhead wharf substructures shall seek to maintain the location, dimensions and arrangement and design concept (a pile-supported, cantilevered deck located on, above, or attached to the bulkhead wharf or Seawall), consistent with existing conditions and their general appearance at the time of Port Commission approval of the Embarcadero Historic District.

The Port, in reviewing and authorizing ordinary maintenance and repair work for pier or bulkhead wharf substructures within the Historic District, shall make reasonable efforts to maintain, rehabilitate and minimize damage to existing historic materials.

Any work that does not qualify as ordinary maintenance and repair shall be subject to review for conformity with the Secretary's Standards. In addition, ordinary maintenance and repair, and required alteration shall also be subject to applicable Port lease requirements, the Waterfront Land Use Plan, BCDC Special Area Plan and other applicable land use regulations and policies, including review by the Waterfront Design Advisory Committee, BCDC's Design Review and Engineering Criteria Review Boards.

Examples of Ordinary Maintenance and Repair

Includes, but is not limited to the following:

- *Cleaning*
- *Application of shotcrete to the substructure*
- *Removal of spalling concrete on the substructure*
- *Deck repair, or replacement*
- *Replacement of surface materials in-kind unless the use of the facility dictates the need for a substitute material. Substitute materials are limited to the use of wood, concrete or asphalt surface treatment*
- *Pile repair, reinforcement, or replacement, including pile enlargement*
- *Repair, replacement or installation of batter piles*
- *Cap or stringer beam repair or replacement, including addition of new beams*
- *Concrete slab repair or replacement*
- *Replacement of reinforcing steel*
- *Seismic retrofit (including installation of seismic joints or separation of structures)*
- *Ordinary maintenance and repair of existing contributing and non-contributing resources or features*
- *Repair of damage caused by fire or other disaster*

2. Alteration of Contributing Resources

Alteration of Contributing pier and bulkhead wharf substructures, or portions thereof, not otherwise allowed within the scope of ordinary maintenance and repair, as defined above, shall be subject to review for conformity with the applicable Secretary's Standards. In addition, such work shall be subject to applicable Port lease requirements, the Waterfront Land Use Plan, BCDC Special Area Plan and other applicable land use regulations and policies, including design review by the Waterfront Design Advisory Committee and BCDC's Design and Engineering Criteria Review Boards.

Review Criteria
The Port shall seek to maintain the character defining features of the bulkhead wharf and promote, enhance and strengthen the historic qualities and characteristics of the individual sections of bulkhead wharf, and the collective value of the wharves to the waterfront's urban design and form, as well as the District's historic significance. In evaluating proposals to alter, replace, or remove/demolish the bulkhead wharf, the Port shall also consider the overall compatibility of the proposal with the aesthetic quality, public access and active use of bulkhead wharf.

Examples of Alterations to Contributing Resources
Includes but not limited to:

- *Alteration not required as part of ordinary maintenance and repair, including such things as additions or extensions to the wharf*
- *Replacement not required as part of ordinary maintenance and repair*
- *Removal/demolition not required as part of ordinary maintenance and repair, including such things as the permanent removal of the bulkhead wharf, or portions thereof, which modify the Bay edge and create more open water area*

3. Alteration of Non-contributing Resources and Features
Except as provided in "II. Bulkhead Wharf Sections A, B and 1 (Pier 35-45) – Specific Provisions" below, the alteration of existing non-contributing resources or features that are located on or attached to pier and bulkhead substructures within the Historic District, which are not otherwise permitted within the scope of ordinary maintenance and repair, shall be subject to review for conformity with the applicable Standards. In its review of such proposals, the Port shall consider 1) the degree to which the proposed work would exceed existing conditions by expanding the footprint, bulk or height of the feature or structure; 2) whether it would maintain the character defining features of the pier and bulkhead wharf substructure, or decrease the degree of compatibility within the Historic District.

In addition, alteration, replacement, relocation, or expansion of non-contributing resources and features on the pier or bulkhead wharf substructures shall be subject to applicable Port lease requirements, the Waterfront Land Use Plan, BCDC Special Area Plan and other applicable land use regulations and policies, including design review by the Waterfront Design Advisory Committee and BCDC Design and Engineering Criteria Review Boards.

Examples of Alterations to Non-Contributing Resources and 4Features
Includes but not limited to:

- Removal or alteration of non-contributing concrete seats or step platforms at Pier 7 public access that are partially located on the bulkhead wharf.
- Alteration or replacement of existing non-contributing features, or structures, such as the non-historic connector building between Piers 19 and 23.

II. Bulkhead Wharf Sections A, B and 1 (Pier 35 to 45) - Specific Provisions

The bulkhead wharf and the use and development of its surface in the Pier 35 to 45 portion of the historic district has undergone significant repair, alteration and partial replacement, and change in context associated with the loss, or transformation of historic piers, the relocation of The Embarcadero roadway and the development of completely new patterns of use and development for non-maritime and contemporary maritime purposes. Alterations and intrusions in this area post date the historic

district's Period of Significance, which ends in 1946. See Section 7 of the Historic District nomination report for a detailed description of the Pier 35 to Pier 45 area. Sections A and 1 of the bulkhead wharf substructures retain sufficient integrity below the visible surface, and therefore have been identified as contributing resources; Section B is identified as a non-contributing resource. The alterations and intrusions include, but are not limited to the redevelopment of the Pier 39 area (including the former area of Piers 37, 39, 41 and 43, stretching from the westerly edge of Pier 35 to the westerly edge of Pier 43) to become a public and tourist attraction, including demolition of some piers and expansion of others, and relocation of The Embarcadero roadway inland to create a major public access and park area; construction of the Pier 39 Marina and Aquarium of the Bay; the Pier 41 Blue and Gold building and ferry boat complex (formerly Harbor Carriers); the complete reconstruction of Pier 43 as a public access area, structurally separate from the Ferry Arch; and the construction of the Pier 43-1/2 Red and White Fleet Building.

The Port will review and evaluate permits, approvals and necessary entitlements for work located in Sections A, B and 1 of the bulkhead wharf, between Pier 35 and 45, consistent with Sections I.1, I.2 and I.3 of this document, with the following geographic specific modifications. Although Section B is a non-contributing resource, for purposes of review, it shall be treated consistent with Sections A & 1:

1. Ordinary Maintenance and Repair
Ordinary maintenance and repair of Bulkhead Wharf Sections A, B and 1 shall follow the standard definition described above in I.1, I.2, and I.3, but shall also specifically include maintenance, repair and replacement of existing contributing and non-contributing buildings and surface improvements located on the bulkhead wharf, including the Aquarium of the Bay, Pier 39 Buildings (A and Q), Pier 41 Blue and Gold Building, Pier 43, Pier 43-1/2 The Red and White Fleet Building and Pier 45 Sheds A and D, public access walkways and related improvements, landscape planters and beds, ticket booths and related vending and other accessory structures and improvements.

2. Alterations to Non-contributing Resources and Features, and new development located on, or attached to Section A, B and 1 Bulkhead Wharf Substructures (Piers 35 to 45)
In recognition of the historic and contemporary pattern of development and use of Bulkhead Wharf Sections A, 1 and B, the Port shall review proposals for alterations, replacement, relocation and expansion of non-contributing resources and features, or new construction on these bulkhead wharf sections for conformity with the Port's Waterfront Land Use Plan, Design and Access Element (WDAE). Proposals for this area between Piers 35 and 45 that are found to be consistent with the WDAE shall also be considered consistent with the Secretary's Standards, and shall not be subject to a separate evaluation process to determine consistency with the Secretary's Standards. This review and evaluation process will rely on the WDAE because, after careful review by the Port and San Francisco preservation community, that document was found to provide a comprehensive set of policies and site-specific design criteria that achieve the same or related objectives called for by the Standards. All proposals would continue to be subject to review for conformance with applicable Port lease requirements, the Waterfront Land Use Plan, BCDC Special Area Plan, and other applicable land use regulations and policies, including design review by the Waterfront Design Advisory Committee and BCDC's Design and Engineering Criteria Review Boards.

Examples of Work Allowed in Bulkhead Wharf Sections A, B and 1
Includes but not limited to:

- Relocation, replacement or expansion of existing non-contributing resources or features located on the bulkhead wharf such as the Aquarium of the Bay, or the Pier 41 Blue and Gold Building
- Expansion of existing non-contributing resources or features, such as pier and bulkhead buildings, public access walkways and related improvements, landscape planters and beds, ticket booths and related vending and other accessory structures

North Point Street
Kearny Street
Stockton Street
Beach Street
Powell Street
Mason Street
Taylor Street
Jefferson Street
Embarcadero Roadway
Bulkhead Wharf Section 1
Bulkhead Wharf Section A
Bulkhead Wharf Section B
Pier 33 & 35 Bulkhead Building (Contrinbuting Resource)
Aquarium of the Bay
Q- Building
Blue & Gold
Pier 33
Pier 35
Pier 39
Pier 41
Pier 43
Pier 43 1/2
Exhibit B
BULKHEAD WHARF SECTIONS A, B, & 1
Port of San Francisco Embarcadero National Register Historic District
Non-contributing Buildings on Bulkhead Wharf
- Aquarium by the Bay
- Q- Building & Other Pier 39 Buildings
- Blue and Gold Fleet Building (Pier 41)
- Franciscan Restaurant
Contributing Building
-Pier 33 & 35 Bulkhead

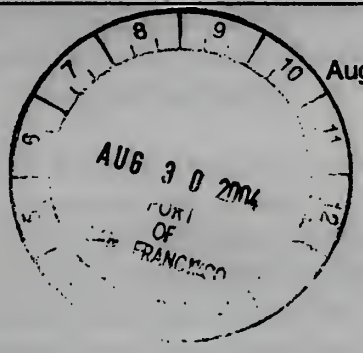
Exhibit C

Tim Kelley

Architectural History

Historic Resources Consulting

2912 Diamond Street #330 • San Francisco, CA 94131 • (415) 337-5824 • sf_history@yahoo.com



August 27, 2004

Monique Moyer, Executive Director
Port of San Francisco
Pier One
San Francisco, CA 94111

Dear Director Moyer:

As I explained in our meeting of June 21, I strongly support the Port's creation of a National Register Historic District on the San Francisco waterfront. I also commend the nomination for that district that you will soon be reviewing, and the monumental effort involved in its creation. However, I continue to feel that the nomination is insufficient to protect the features of the waterfront that best convey its important Labor History.

Indeed, the authors understand this too, as when they say "This nomination does not tell the entire story of labor's contribution to the port." (Section 8, p63) or "Additional inspection and research may identify spaces in transit sheds and bulkhead buildings that served as lunch rooms, locker rooms, or other purposes for waterfront laborers." (Section 8, p186).

The single most important feature of waterfront structures that conveys their labor history is extremely problematic for future development. That is the dramatic contrast between their highly finished façades and their crude, unadorned interiors. This disparity is the clearest expression of their historic intent to place a genteel public screen across the grueling, often dangerous labor that took place behind.

Without the additional research called for in the nomination, and without recognition of the historic interior expression of the pier sheds and bulkhead buildings, the eventual National Register district based on this nomination will be blind to the physical features that express its Labor History. Those features therefore will be unprotected.

Clearly at this juncture, it is not possible for the Port to fund the additional research needed. It is also clear that inclusion of the rough interior components as character

Clearly at this juncture, it is not possible for the Port to fund the additional research needed. It is also clear that inclusion of the rough interior components as character defining features of the structures would greatly restrict development potential. But the nomination should not simply be shelved until funding becomes available.

Most importantly, the present uncertainties should not be allowed to cloud the future availability of tax credits for projects that impact shed interiors or other yet unidentified features. This would defeat the purpose of the National Register nomination. Given this situation, I propose the following to assure fair treatment of labor history on the redeveloped waterfront:

- submit the National Register nomination as is—with support of the Labor community
- include an additional provision in the adopting resolution requiring all future development projects within the historic district that apply for tax credits to also fund additional research on Labor History, based on the amount of tax credits involved
- funding created should be administered by a joint committee with equal numbers of representatives from the Port and the San Francisco Labor Archives, and research carried out under it should be conducted by an appropriate non profit Labor History organization.
- total amount of funding should be sufficient to create a significant public archive and presentation that will compensate for the loss of materials expressive of Labor History, and also assist both developers and the Port in public approval processes

This proposal has the strong support of the San Francisco Labor Council, the Building Trades Council, and other members of the labor community. I respectfully urge you to adopt it so that the important goals of the Port's nomination can be realized in the most expeditious and equitable way. I would welcome the opportunity to discuss this with you prior to your action on the National Register nomination.

Sincerely,

Tim Kelley
Consulting Historian

Exhibit D

October 8, 2004

Tim Kelley
2912 Diamond Street, #330
San Francisco, CA 94131

RE: Labor History Research Proposal

Dear Mr. Kelley:

Thank you for your letter of August 27, 2004. After various discussions since then between you, my staff and Port Commission members regarding your labor history research proposal, this letter presents our response to the issues raised.

You have expressed your view that the Embarcadero National Register Historic District nomination is deficient because it does not adequately address labor history. We disagree. Based on our review and that by the preservation community, the body of work by Marjorie Dobkin and Michael Corbett is significant, meeting or exceeding the level of detail and rigor of research needed to support the nomination. Given the district's size, scope and breadth of the issues addressed, it is not reasonable nor is it required for the nomination to address all labor history events or details. Instead, the nomination provides a clear framework for understanding the conditions and requirements of waterfront labor, and the impact it had on the rest of the City.

That said, we agree that there is a need and desire to build upon the foundation of waterfront labor history knowledge established in Central Embarcadero Piers Historic District, and the Embarcadero National Register Historic District nomination. To that end, we believe further labor history research should be conducted as part of all major redevelopment projects that include one or more eligible or listed contributing resources in the Embarcadero National Register Historic District and Pier 70 areas. This work should be carried out by qualified labor history consultants, and should focus on events and facts that relate to the project site, including its association with waterfront labor history. We believe it is appropriate to carry out this additional research, similar to that conducted for historic architecture, whether or not the development project is seeking Federal historic preservation tax credits. We anticipate that the requirement for labor history research would be included in Requests for Proposals for major Port waterfront development opportunities.

In your proposal, concern was raised about the Port's recent historic rehabilitation projects, describing them as "genteel public screens across the crude, unadorned interiors" that housed waterfront labor. You refer to the need for funds to "compensate for the loss of materials expressive of Labor History". Your underlying message is that these projects are hostile to labor history interests, which triggers the need for some sort of mitigation. We strongly disagree with those assertions. To the contrary, the essential nature of historic rehabilitation projects is to accommodate new compatible uses when there is no longer potential for break-bulk shipping or historic uses to continue. With those new uses comes the need to improve the facilities to support the new activities. However, the historic rehabilitation requirements also balance those changes with measures to preserve historic character and further the public's understanding and appreciation of not just the physical resource, but also its history, including labor-related functions, events and activities.

Given the lack of available Port, City or other public financing, the public-private development partnerships achieved for the Ferry Building, Pier 1 and Piers 1-1/2, 3 & 5 have been the only proven means to give Port historic resources a new lease on life. The alternative is to continue to lose our historic resources through deterioration, condemnation and ultimate demise. After exhaustive review, all three of these projects were determined by the State Office of Historic Preservation and National Park Service to meet the Secretary of the Interior Standards, the country's recognized historic preservation standards. To the extent we can further enrich the development design of these types of historic rehabilitation projects through greater discussion and understanding of the relationship between the physical resources and labor history, we would welcome the opportunity to discuss this matter with you and other labor history advocates.

In your letter you propose a funding mechanism to enable the labor research, based on federal historic tax credits awarded to projects. Staff does not believe it appropriate to try to define in the abstract how much a developer should spend on labor history research, given that each individual project has its unique variables that determine the scope of the research needed. Neither do we believe that there is a nexus between the cost of a project (or its tax credit potential) and the depth of labor history research necessary. In any case, as a practical matter, the Port and developer will not know the amount of the tax credits until well after the time when the labor history and architectural history research needs to be completed. Thus, the proposed funding approach would not work towards producing labor history information in a timely manner that could inform and shape the design of a historic rehabilitation project, including any interpretive exhibits.

In response to your proposal that a committee be established to direct funding for labor history research as part of historic rehabilitation projects, you should know that the Port does not dictate, nor does it have sign-off authority on, the consultants a developer hires for its project team. Explicit provisions in development agreements assign sole responsibility to secure project entitlements or approvals, including the required supporting research and analysis, to the developer. However, it would be helpful if the broader historic preservation community, including labor history consultants like yourself, could develop criteria or guidelines to define the type of experience and qualifications for historic architecture or labor history to help developers select consultants with appropriate expertise to advise on Port waterfront projects. Such guidelines perhaps could also suggest ways in which project could develop a greater public appreciation of waterfront labor history.

By requiring both labor history and architectural history research to be conducted as part of a project's pre-development phase, we will have a collective body of research early on to develop a sensitive, integrated approach to the design and development program of future projects. This will ensure that project designs respond to the architectural and labor history details associated with project sites. The determination of whether an historic rehabilitation project meets Secretary's Standards will continue to be determined on an overall project basis, including the recognition of labor history.

Thank you for your time and interest in waterfront historic preservation issues. Please call me at 274-0546 if you have further questions.

Sincerely,
(original was signed)

Byron Rhett, Deputy Director
Planning & Development

cc: Monique Moyer
Members, Port Commission
Diane Oshima
Mark Paez
Kirk Bennett

G/historicpreservation/laborhistory/10-4-04mmresponsetotimkelley

SAN FRANCISCO
PORT COMMISSION

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OCTOBER 26, 2004
MINUTES OF THE MEETING

DOCUMENTS DEPT.

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HON. KIMBERLY BRANDON
HON. SUE BIERMAN
HON. ANN LAZARUS

MONIQUE MOYER, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
OCTOBER 26, 2004

1. CALL TO ORDER / ROLL CALL

Commission President Wilfred Hsu called the meeting to order at 3:10 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman, Kimberly Brandon, Sue Bierman and Ann Lazarus.

2. APPROVAL OF MINUTES - October 12, 2004 Meeting

ACTION: Commissioner Brandon moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

3. EXECUTIVE

A. Executive Director's Report:

- Ms. Moyer reported that Blue Tortolero retired from the Port a couple of weeks ago and thanked her for her many years of service to the City and the Port.

- Status Report on Harry Bridges Plaza: Grif Fariello, Chair of the committee for Harry Bridges Plaza, gave the Commission an update on their efforts to honor Harry Bridges, one of the country's great labor leaders and a former Port Commissioner (1970-1982). He also introduced Leif Geistrand, Pacific Warehouse Company, who will make a brief presentation. Mr. Fariello indicated that in June 1999, the San Francisco Board of Supervisors with the support of Mayor Brown, the San Francisco Labor Council, and the California Labor Federation and the International Longshore Warehouse Union, among other organizations and individuals, unanimously passed a resolution urging the Port of San Francisco to name the new Ferry Building Plaza in honor of Harry Bridges and to install a suitable monument to him on the site. Not needing any such urging, the Port Commission on July 27, 1999 passed Resolution No. 99-55 naming the plaza in honor of Harry Bridges and further directing staff to bring back to the Commission future proposals for the design and placement of a monument recognizing identification of Harry Bridges plaza. Since the naming of Harry Bridges plaza, they have received both moral and financial support from across the country. Congresswoman Pelosi and Mayor Brown spoke at the dedication of the plaza. On the floor of Congress, Congresswoman Pelosi and Senator Boxer paid honor to his memory and spoke in support of a monument in his honor with the Senator calling it "a fitting tribute to a man who cared enough to make a difference." Senator Daniel Inouye of Hawaii has also voiced his support, commending the committee for its diligent efforts and going on to say, "the monument will be a testament to Harry Bridges commitment to a better life for working men and women. His

unwavering belief from racial equalities, civil liberties and world peace kept him at the forefront of these national causes." Upon the occasion of Harry's 100th birthday, Governor Gray Davis officially declared July 28, 2001 to be Harry Bridges Day, as did Mayor Brown in San Francisco. So far, their fundraising efforts have grossed $98,335 with an expense ratio of 22% to include legal fees, to obtain 501 non-profit status and for $14,000 for breakfast expenses for the fundraiser which grossed more than $48,000. The committee members volunteer their time and do not receive any money for reimbursement for out of pocket expenses. Labor unions across the country have voiced their support and sent contributions. Chief among them was the ILWU and its many locals as well as the AFL-CIO, United Auto Workers, the teamsters, the communication workers, International Longshore Association, musicians union, marine, boilers, firemen, pipefitters and many others. Individual donations have also come in from across the country from retirees who couldn't afford to give no more than $10-20 at a time to active workers who give $100 and to one retired longshoreman, Whitey Kelm, who from his deep love for the memory of Harry Bridges reached deep into his pocket and gave $10,000. They have donated what they can and continue to do so. Along with their checks were letters, phone calls and small personal items, all expressing in one manner or the other the very same thought Harry Bridges fought so hard so that we could live and work with dignity. Many of the checks have been made out in memory of loved ones, a husband, a father or a fellow worker. As to the sculpture itself, they are now presently engaged with Bruce Wolf, a local artist, who is familiar to the Arts Commission and cast his work at the Art Works Foundry in Berkeley. Bruce is trained in classical European tradition; still holding to the last wax process and the figure shows exceptional control over detail. He has won numerous awards and his commissions include the Smithsonian Institute, the San Francisco Opera, the Asian Art Museum, the Hoover Institute, the St Mary's College and the Old Mission in Santa Barbara. His preliminary rendering should be available by the middle of next month. Once they have the preliminary design, they can begin shepherding the work through the process, making whatever changes are necessary and keeping the Port Commission included in all their activities along the way.

Leif Geistrand, representing Pacific West Company, operating at Pier 94 together with Local 34, Local 10 and ILWU for Hanson Aggregates, indicated that sometime ago, former Port Commissioner Brian McWilliams and Henry Graham, President of Local 10, asked them to participate in raising funds for the Harry Bridges' monument. They thought it was a very good idea and decided to match the funds raised by Local 34 and Local 10. He presented Mr. Fariello a check for $5,000 payable to the Committee for Harry Bridges Plaza and wished them luck and success in their efforts to raise money for the monument.

Commissioner Bierman commented that when she first moved to San Francisco at the Upper Haight, Harry Bridges lived two doors from her. For her, coming from a Republican family from the State of Nebraska and listening to Harry was remarkable. He had a wonderful Australian accent and he was so wise. It was no wonder he got where he got because he was a brave man. He took a lot of guff; he took a lot of pain from the government. He stood tall and walked his walk. He was

admired not just by the union but a lot of people who were going through hard political times. He never wavered from what he was, a wonderful man.

- U.S. Coast Guard Acknowledgment: Captain Gerry Swanson, Coast Guard captain for the ports in Northern California and San Francisco Bay ports, indicated that he has the regulatory responsibility for all the safety, security and environmental protection for all the waters in Northern California including the waters of the Port of San Francisco. With that come a lot of responsibility and a lot of obligations, a lot of partnerships that have to be made to bring the safety and security of the ports together. There's no better partner than the Port of San Francisco and some of the staff whether it's forming the area maritime security committee, the harbor safety committee and others. They have been very active and exceptional partners. He recognized John Davey and Michael Nerney. Captain Swanson read and presented the Coast Guard Certificate of Merit in recognition of notable services that assisted greatly in furthering the aims and functions of the Coast Guard. Captain Swanson indicated that the awards are not given out lightly. They are very meaningful. He was very proud to have individuals of this caliber that are working with him in his committees and giving lots of time and energy and good ideas and support. As he looks at his job as a federal maritime security coordinator captain of the Port, he has to make the ultimate decisions but without the industry, the community, the Port authority and their support, he cannot make the best decisions. He looks s at them as his board of directors. He commended them and the Port of San Francisco and Monique Moyer for all their support.

  Ms. Moyer thanked Captain Swanson for coming forward to recognize and thanked the Port staff as it is a rare occurrence in this room. She was very appreciative that he has taken the time to recognize the challenges under which we all work on behalf of the City and the Port. She appreciated his raising the bar for all of us.

4. CONSENT

A. Request approval to execute a Contract Service Order with Parsons, Brinckerhoff, Quade and Douglas, Inc. to provide professional environmental and engineering services for Pier 35 Pre-Dredge Testing and Reporting in the amount not to exceed $180,000. (Resolution No. 04-86)

B. Authorization to apply for, accept and expend $150,000 of grant funds from the State Urban Parks and Healthy Communities Fund for the Brannan Street Wharf (Resolution No. 04-87) and $1,084,975 of grant funds from the California Cultural and Historical Endowment for the Pier 70 area. (Resolution No. 04-88)

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution Nos. 04-86, 04-87 and 04-88 were adopted.

5. ENGINEERING & MAINTENANCE

A. Request approval to advertise for competitive bids Contract No. 2699, Fisherman's Wharf Seawall Repair (located at Al Scoma's Way). (Resolution No. 04-84)

Project Engineer Joe Roger presented the item and requested Commission's approval. The existing seawall underneath the old smokehouse building is in great need of repair. The drawings are essentially complete and staff is currently in the process of seeking regulatory as well as in-house approvals. The funding for the project is available. He worked with the HRC representative to iron out the HRC requirements.

ACTION: Commissioner Brandon moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-84 was adopted.

B. Request approval to award Construction Contract No. 2692 "Pier 35 Security Enhancements" to Galliera, Inc. dba Trico Construction and Request for Supplemental Appropriation authorizing expenditure of $1,173,349 to provide additional funding necessary to issue notice to proceed. (Resolution No. 04-85)

Project Manager Kim von Blohn presented the item and requested Commission's approval. He indicated that the Commission was provided a copy of a revised resolution to take into account recent negotiations with the contractor. The revised resolution will replace the previous resolution that was provided to the Commission. This project is part of a Transportation Security Administration (TSA) grant for Port security. The objective of this project is to prevent access to a cruise ship by anyone intent upon gaining unlawful access and control of the vessel. Prevention measures include enhanced separation, surveillance and screening of passengers and their luggage, intrusion device, checks and control of gates. Through creative design efforts, the project will also result in significant visual improvements to the terminal that welcomes passengers to San Francisco.

On September 18, 2004, the Port staff solicited bids for this project. On October 15, 2004, staff received bids from only one Contractor, Galliera, Inc. dba Trico Construction. Trico's bid was $3,273,499 or $770,999 higher than the TSA grant funding of $2,502,500.

The Port Engineering and the Human Rights Commission staff reviewed the bid and determined that Trico is a responsive and responsible bidder. He also noted that the City's DBE ordinance should read Code Chapter 14A instead of 12DA as shown in the staff memorandum. Since Trico was the only bidder, the Port was in a position to negotiate the price. On October 22, 2004, Port staff negotiated a price reduction of $175,000, without changing the project scope. This reduces the bid price to $3,098,499 or $595,999 higher than the TSA grant funding of $2,502,500. When the normal change order contingency allowance of 10% or $309,850 was included and the supplemental engineering construction support services of $75,000, the project's funding shortfall is $980,849.

To address the shortfall, on October 19, 2004, Port staff met with the Mayor's Office of Emergency Services (MOES) to discuss availability of funds from other grant

sources. MOES advised that there are several sources of funds for security enhancements of the type specified under Contract No. 2692. MOES will report back to Port staff with their recommendations. The ultimate supplemental appropriation request will reflect the amount of grant funds received from MOES.

In order for construction to take place during the window of opportunity between November 2004 and April 2005, when there is minimal passenger ship use, the Port Commission needs to adopt a resolution to award the contract and authorize supplemental funds. The TSA grant funds must be expended by July 2005. Therefore, he requested the Commission to award Contract No. 2692 to Galliera, Inc. dba Trico for the amount of $3,408,349 which includes 10% contingency. Mr. von Blohn noted that this change should be made in the last page of the resolution third paragraph down, instead of $3,098,499, it should read $3,408,349 which includes 10% contingency.

Ms. Moyer explained that the Commission should have received a black-lined version of the resolution. On the second page of the resolution, the amount in the first Resolved clause should read $3,408,349 (which includes 10% contingency), instead of $3,098,499.

Mr. von Blohn also noted another change on the second page of the revised resolution i.e. the word completion on the first Whereas clause should be changed to execution. The same word change applies to the second Resolved clause on page 2 of the revised resolution.

Mr. von Blohn requested a supplemental appropriation for $987,250 that will provide funding for Phase II of the project with 10% contingency on Phases I and II and $75,000 for engineering support during the construction phase. The contractor has agreed to commence work based on the Notice to Proceed target date of November 15. The contract will be initially certified to match available funds from the TSA grant. The remaining portion of the project cost which includes light fixtures, security hardware and painting will be funded from a Supplemental Appropriation Request. Provided these funds are certified by January 15, 2005, there will be no delay or price increase for the project.

Since staff is asking for $987,250 for supplemental appropriation, Commissioner Brandon asked what that would do to the Port's overall fund balance. Tina Olson, Deputy Director for Finance & Administration, replied that staff hopes not to use any of the fund balance for this project because staff might be able to secure all of the necessary funds from MOES. If staff is not able to secure the funds, the money will come out of the Port's fund balance. Depending on whether the Port would want to keep a 20% or 25% reserve, approximately $6-9 million surplus would be available from the 2003/04 budget. The money would come from that surplus. The tradeoff will be future 2005/06 capital projects. It's been the Port's policy to maintain between 20%-25% reserve. If we cut the 25% fund balance, there will be approximately $6 million to spend in capital projects in FY 04/05. If we keep 20%, there would be approximately $9 million available. Given the importance of this project and the fact that we are leveraging federal funds, this is a high priority project for staff.

Commissioner Lazarus asked if staff anticipated receiving more than one bid for this project and whether staff knew why only one bid was submitted. Mr. von Blohn replied that staff did anticipate more than one bid. Staff heard various opinions of why only one bid was submitted. There doesn't seem to be a full consensus. It apparently was a difficult job for normal civil contractors because of the large security component. They did not fully understand the security component of the project; therefore, they were afraid to bid on this kind of work. There was also a very tight window for the contractor to do the work and a substantial liquidated damage clause. The risk and the lack of understanding of the work caused some contractors not to bid.

Commissioner Lazarus asked why staff is awarding the contract plus the contingency. It was her understanding that the contingency is a reserve fund in the event that the contractor find the project to be more complicated and they have slightly underbid. Ms. Moyer replied that the Port holds the bidder to the amount they bid. The common practice is to always have contingency funds in the event that something comes up or a change order needs to be issued. That practice is common on public works project. Staff is not actually awarding the contingency to the contractor but is seeking the authorization to have that in reserve for changes in scope or unforeseen events.

Commissioner Lazarus thought the language was included in the resolution i.e. the contingency is included as part of the contract. Ms. Moyer indicated that it was not a line item that they bid.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-85 was adopted.

6. PLANNING & DEVELOPMENT

A. Request approval of a resolution adopting the proposed Port of San Francisco Embarcadero National Register Historic District, consisting of an approximately three-mile area of the waterfront along the Embarcadero, between Pier 45 in Fisherman's Wharf and Pier 48 at China Basin, including the seawall, historic piers, wharves and structures located on the wharves, and authorizing staff to submit the Historic District nomination report to the State Office of Historic Preservation and National Park Service for listing on the National Register of Historic Places. (Resolution No. 04-89)

Diane Oshima, Assistant Deputy Director Planning and Development, indicated that on September 14, 2004, the Commission held a public hearing on the proposed Port of San Francisco Embarcadero National Register Historic District which includes the area between Pier 45 and Pier 48. This was a community involved effort that grew out of the Waterfront Plan process where historic resources were identified and as part of the joint planning process with BCDC where upon the nomination of this historic district was called out as a requirement. This nomination suits a number of different Port commitments and objectives. This was developed with a broad base of the community involvement including the preservation community. It's been reality checked by conversations, discussions, and presentations to the neighborhood community, particularly, South Beach, Ferry Building area and Telegraph Hill and

Northeast Waterfront areas. This item was also presented to the Fisherman's Wharf Northeast Waterfront Advisory Committee, Ferry Building tenants and South Beach CAC. Notices were sent out to all Port tenants involved in this area. BCDC staff has been very generous with their time to assist Port staff through the whole process.

In the September 14 public hearing, issues were raised that required further follow up work by staff.

Pier 36. The Port Commission approved the Brannan Street Wharf project prior to the draft nomination being completed by Michael Corbett and his team. Mr. Corbett recommended the inclusion of Pier 36 in the Historic District Nomination because it represents, along with Piers 38 and 40, the earliest example of reinforced concrete pier sheds, and was one of a few rail ferry terminals along the waterfront. The removal of a National Register eligible resource such as Pier 36 would constitute a significant adverse effect on the environment, under the California Environmental Quality Act (CEQA). This triggers the need for further CEQA environmental review to be completed before any other approvals for the Brannan Street Wharf project can be secured. Several members of the public and South Beach community commented that Pier 36 should be excluded from the Historic District because it would require lengthy environmental review by the City which could delay the demolition of the pier and the construction of the park. Even if excluded from the district, Pier 36 would still be historically significant based on the research presented in the Historic District Nomination and thus would not avoid the requirement for further CEQA analysis.

Port staff has met with San Francisco Cruise Terminal LLC (SFCT), the developer of the Bryant Street Pier Project, construction contractor for the Brannan Street Wharf and BCDC staff. In order for the Brannan Street Wharf project to proceed, the Port and SFCT must secure a permit from BCDC; all other required City and Port approvals for the Brannan Street Wharf have already occurred. At the Port's request, BCDC has agreed to take the lead-agency status to prepare the additional environmental analysis as part of its permit process. BCDC environmental review process is significantly simpler and more straightforward than those in San Francisco. In developing that partnership with BCDC and in sharing that information with the South Beach CAC and SFCT, everyone feels comfortable that this is a workable plan and still deliver the project in the proposed time frame.

Pier 35-45, Bulkhead Wharf Sections A, B & 1. At the September 14, 2004 hearing, Mr. Sanger expressed his clients' disagreement with the inclusion of the bulkhead wharf A, B and 1 along the seawall from Pier 35 to 45 in the historic district. He stated the concern that the inclusion this area in the historic district would hamper future efforts by Pier 39 or Blue & Gold to repair, alter or build new structures in the area. Since the current structures and park improvements are not historic nor have any relationship with the resources or issues upon which the Historic District is based, he does not believe it appropriate to apply Secretary of Interior Standards to review future alteration and construction proposals, especially in light of BCDC, Planning Commission and Port design guidelines that are in place for this purpose. Mr. Sanger also expressed the need for revisions to the Historic District nomination report to

include more details regarding the extent and type of redevelopment that has occurred in this area.

At the September 14, 2004 public hearing, Port staff gave a status report of efforts then underway to resolve this issue, acknowledging the degree of change described by Mr. Sanger. Mark Paez on behalf of the Port's Planning & Development Division outlined a proposal to identify designated areas within which Pier 39 or Blue & Gold would be allowed to propose development changes that would be accepted as consistent with the Secretary's Standards. Staff was directed to continue discussions with the interested parties in an effort to resolve this issue before returning to the Commission for action on the Historic District nomination.

Since that time, staff has worked closely with Mr. Sanger and preservation representatives to evaluate the urban design, historic preservation, public access and other policies and design criteria contained in the Waterfront Design & Access Element (WDAE) of the Waterfront Land Use Plan. There was consensus that the WDAE provides the appropriate context, scope, and design direction to shape future proposals in Bulkhead Section A, B and 1 to be appropriately designed and sensitive to the Historic District. As such, it was agreed that, for the purposes of reviewing alterations or new construction proposals affecting the deck surface level or above for Bulkhead Wharf Sections A, B and 1 only, the WDAE is equivalent to the Secretary's Standards. In those instances, the WDAE should be relied upon instead of the Secretary's Standards, because it is tailored to protect and enhance the urban design attributes specific to the San Francisco waterfront, and integrates historic preservation and BCDC public access, view and design principles. The agreement to the use of the WDAE to review future projects in this area supercedes the staff proposal that was presented at the September 14, 2004 public hearing.

With respect to Mr. Sanger's comment that the Historic District nomination report be revised to incorporate more details regarding redevelopment and alterations that have occurred within Bulkhead Wharf Sections A, B, and 1, this will occur. Mr. Sanger has drafted this information, and the nomination report will be revised to incorporate these additional facts prior to submitting it to the State Office of Historic Preservation.

With respect to Mr. Sanger's concern regarding his clients' ability to carry out ordinary maintenance and repairs to their facilities under lease without constraint from the Historic District designation, this matter also was discussed with the preservation representatives. Even more so, this is an issue for the Port, which has maintenance responsibility for most facilities. Recognizing that ordinary maintenance and repairs have occurred throughout the life of the waterfront to meet current public and safety requirements, the Port's continued work for this purpose in the future will be recognized as consistent with the Secretary's Standards.

To memorialize these discussions and understandings in the context of approving the nomination for the Embarcadero National Register Historic District, staff developed Historic Preservation Review Guidelines which describe how certain types of conditions or activities will be reviewed within the District. The guidelines have been

reviewed by the interested parties. These guidelines will be included as an Appendix in the Historic District nomination report.

Labor History. At the September 14, 2004 public hearing, Tim Kelley expressed his concern that more information and research is needed regarding waterfront labor history. Mr. Kelley sent a letter to the Port, dated August 27, 2004, outlining a proposal for funding and carrying out more labor history research, separate from that produced as part of the Historic District nomination report.

After conversations between Mr. Kelly and staff, the Port responded, describing a modified process to develop additional labor history research, to be carried out by developers as part of pre-development studies for new historic rehabilitation projects. While further discussions may result in refinements and modifications regarding the details of this effort, staff agrees with the desire and need to expand the Port's and public's understanding and appreciation of waterfront labor history. Given the virtually unlimited research potential of this topic, such efforts will require a clear scope of work that defines the type and level of detail of the research to be completed. The information gathered should be educational to the general public and should inform the design and development of historic rehabilitation projects. Port staff has suggested that the preservation community could play an important role in defining parameters for such research in advance, which can be included in development project RFP's.

It is recognized that waterfront labor history is discreet from architectural history research and may warrant a separate consultant to conduct the research. However, the completion of this work should be coordinated with the overall project schedule to ensure that information is available at a point when it can be considered in the project design process, and/or the development of interpretive exhibits or materials that may be created in new projects.

Mr. Kelley asked for additional clarification to be incorporated into the nomination report. It's an addition of one sentence which staff is in agreement with. The language is geared to recognize that there are unfinished interiors and finishes on a number of the facilities today and with the rehabilitation there will be change. The context of a section of the nomination report that describes the pier transit shed states, "Their interiors are generally raw and unfinished, and the contrast with the more finished public face of the bulkhead buildings is an expression of their role as a workplace." Ms. Oshima indicated that the nomination report is very detailed and very integral. It talks about the development of the Port, the engineering of the report, workers at the Port, the type of businesses and activities, the infrastructure and equipment used at the Port. Labor history and labor functions are all well integrated together.

In the September 8, 2004 Commission staff report regarding the Historic District, Port staff reported that there was one remaining unresolved issue with Mr. Corbett's recommendations regarding Bulkhead Wharf Section 9a. Section 9a, now a series of remnant piles located between the Agriculture Building and the Fire Department Station 35 at Pier 22-1/2, originally was proposed as a non-contributing resource to the Historic District. The Port staff did not agree with this recommendation given the

extensive deterioration and loss of materials of this facility, including the entire bulkhead wharf deck. After further review, Mr. Corbett has concurred that Bulkhead Section 9a should be discussed in a separate chapter of the nomination report regarding waterfront piers and structures that have been lost, and is no longer proposed for inclusion in the Historic District. The nomination report will be revised accordingly.

Ms. Oshima indicated that this has been a very long process. We have been enriched by it in many ways in terms of the number of perspective that have been brought into the floor to discuss and debate the merit of the historic district. It is a milestone accomplishment for the Port. The Embarcadero National Register Historic District is another milestone accomplishment for the Port. The Waterfront Land Use Plan and the Design Access Element was the other. The report that has been generated has an incredible informational content that will benefit all San Franciscans in the long run. It is an essential tool in the redevelopment of historic resources. San Franciscans have a strong attachment to the waterfront resources. This, combined with the financial and regulatory advantages afforded historic rehabilitation projects that meet Secretary of Interior Standards, creates the Port's best opportunity to realize a mix of activities and amenities that invite the public to this extraordinary urban waterfront, and which celebrates San Francisco's unique history and identity.

Commissioner Bierman asked if the report covered labor history. Ms. Oshima replied that the nomination report is over 400 pages long. There are separate discussions about the resources, the buildings, government, waterfront commerce, transportation, labor history, engineering, architectural, community planning and development. The 50-page labor history section was done by Dr. Marjorie Dobkin. It is a significant piece of the report. Staffs from the Historic Preservation Office and the National Park Service were impressed and amazed by the body of that work. As complete as this nomination is, staff recognizes that no one body can cover all aspects of the labor history or architectural features. Staff is proposing to take a two-tier approach for research such that we have a foundation of information that this nomination provides. With each individual historic rehabilitation project, there would be a layer of more specific information.

Commissioner Bierman indicated that in the 1960s, the federal government was determined to put two freeways through San Francisco; one on the Embarcadero and the other on Haight Street. There was a miraculous joining of forces that the freeway collapsed. It would have ruined the view of the Ferry Building and it was a big struggle. It was crucial to have the help of the union people on the waterfront. They worked with neighborhoods. That struggle ought to be mentioned on the report because it made a very stark difference in the approach to the piers.

Ms. Oshima indicated that the period of significance for this historic district is from 1878 to 1946. However, the research does not bind itself to that time period. For the cargo commerce, the research goes to the point where containerization came into vogue which was a turning point for the breakbulk piers. There is recognition of the changes in the transportation system with the trucks, freeways, etc. That might be the area where staff could look into it and further make that point.

Simon Snellgrove, San Francisco Waterfront Partners, developer for Piers 1½, 3 & 5, commented about the importance of having the Northern Waterfront placed on the historic register. Their project made it on the register slightly ahead of this nomination. It has proven to be a turning point for the economic feasibility and preservation of the buildings. The project is approximately $50 million, with roughly $9 million of historic tax credit after cost and expenses. $9 million happens to correspond to the cost of the foundations. Piers 1.5, 3 & 5 are old piers. It will no doubt be a lot of work for Port staff and members of the private sector to secure the tax credits. They are the tipping points to make the preservation of the resources economically viable.

Tim Kelley supports the action before the Commission in adopting the nomination. On a day when the Mayor is walking a picket line, it's fitting to take the first tangible step towards recognizing the central role of labor in shaping the waterfront. As Ms. Oshima has outlined, this is a good starting point and they will continue to pursue it as development takes place. He thanked the Commission and the staff who listened to him with good patience and good grace as he shopped his idea around. He commended the Commission and staff for going forward as historic preservation should go forward with the proper recognition of the role of labor.

Robert Hertzfeld, on behalf of SF Cruise Terminal LLC, thanked the Commission for giving them the opportunity to work with staff regarding their concern about the inclusion of Pier 36 in the historic district. They worked with Charles Chase from the historic community, with BCDC and Port staff and came up with a solution to address the concerns that the community had raised regarding the cost and timing of the environmental review. They were able to mutually work together to minimize the cost impact associated with additional environmental review for the Brannan Street Wharf and build the project on time. They will be able to start construction at the anticipated date. He withdrew their previous objection and gave his support to the resolution.

John Sanger, on behalf of Blue & Gold and Pier 39, expressed his appreciation to the Commission and to staff. First for recognizing the issues that are validly possessed by the non-historic tenants in a non-historic part of the waterfront and the hard work of Port staff and the sensitivity of the review advisory committee to their needs. This is a product that everyone can support. Pier 39 and Blue & Gold never wanted to oppose the historic district. While they won't be beneficiaries, they are satisfied with the outcome and appreciate the efforts that have been made.

Nan Roth, on behalf of the Telegraph Hill Dwellers, gave her support to the resolution and also thanked everyone who contributed to the process. She hopes that people recognizes that this was an enormous undertaking and a groundbreaking effort. This will be something that everyone can be proud of as we work with it and as it proceeds to impact development in a favorable way in the waterfront. She raised the importance to have a preservation planner on staff given the scope of this project. While there are planners on staff that can handle the preservation issues, it is more important to have a planner with specific, long-time training and preservation experience to help with non-preservation issues more effectively than planning staff can with the required preservation issues. The other issue she was concerned about is the Waterfront Design Advisory Committee (WDAC), their role and their lack of sensitivity to historic

preservation. There should be a person on that group qualified to deal with the historic preservation issues.

Jay Turnbull, President of the Board of Directors of SF Architectural Heritage & Page & Turnbull, was delighted to join others from Heritage in supporting the historic district nomination. He is a historic preservation architect and has been on the design team for both the Ferry Building and the Piers 1½ , 3 and 5 projects. Each of these projects is a tax-certified project and is therefore subject to stringent review by the office of Historic Preservation in Sacramento and the National Park Service. The Ferry Building project was in the register before the project began. The other had to be determined eligible to the register before they could be subjected to the additional review. This will streamline the whole process for the entire district to be on the register. It will certainly make his work a lot easier.

Ernestine Weiss, Golden Gateway Commons, supports the resolution. She's a strong preservationist and conservationist. She also wondered whether the Embarcadero freeway would be mentioned in the nomination report. The fact that it came down by an act of God was a wonderful thing.

Toby Levine, Northeast Waterfront Advisory Group (NEWAG) Chair, reported that the advisory group supports this project because it will benefit the Port and the City enormously. There are a few things that are important to take into account. When this whole project is finished and the 50+ pages developed in terms of labor history, she hopes that the Port will take advantage of the opportunity for the Port Public Relations officer to spread this information to the public. The Port makes a big effort up and down the Port and it can go beyond that with articles and journals showcasing the waterfront as Chronicle Reporter John King did with this piece on the waterfront . People are fascinated by it; school children love this kind of history as well as architectural history. Port staff received great cooperation from all the people who were originally not pleased or had concerns with the project. They were able to work out all of their issues. The effort put forth by Port staff and the community is commendable. It may be a model for the future because there have been some contentious projects before the Commission. Now that this effort is almost done, she hopes that the Port will continue to look at nominations for Pier 70 because it is as significant as the Ferry Building; in some cases, more significant in terms of labor history. She hopes that this will be on the Commission's future agenda.

Joe Boss, Dogpatch Neighborhood, indicated that this process has shown a new day at the Port. There was some contention regarding historic issues. Mr. Sanger and Mr. Kelley worked positively with the Port. The development community also gave their support. He concurred with Ms. Levine's comments that it is important to continue this effort on the southern waterfront, particularly Pier 70. It is recognition of those historic resources to get the entire area redeveloped and not be an economic drain but something vital that will also work with SF Drydock. It can be done in a positive way. He encouraged the Commission to have staff work on this project in the future. Commissioner Brandon indicated that about five or six years ago when this process commenced, she asked why the process stopped at the ballpark and why the entire Port was not included in the historic district. She never received an answer to her question.

She asked what will be done to finish the project to include the southern waterfront area.

Ms. Oshima replied that the answer lies in the shared history of the resources. The finger piers, the bulkhead and the Embarcadero represent the early era of the Port in terms of a breakbulk cargo based port. Pier 70 is also recognized. There are three nodes of historic values that people have recognized along the Port. The Fisherman's Wharf, the fishing industry and the smaller facilities in the northern most part of the waterfront are seen as collection of very valuable resources. Staff developed the fish alley survey and the architectural character district. Those collection of resources are discreet from the finger piers and the bulkhead buildings where the big ships would be berth for passenger or cargo faring exchange to Pier 48. Pier 50 is outside of the period of significance for the Embarcadero Historic District. The next historic center is at Pier 70 area where the ship building, the steel-based industries are the foundation piece for that district. It has different information that needs to be surveyed and the buildings that were developed there have a different story to tell. At the southern end of one of the grain silos at Pier 90 is another historic resource. The copra crane has not been identified as National Register eligible but the community is working on it. This is basically a theme-based approach to develop the work program for how we move forward with historic district or historic surveys.

Commissioner Brandon indicated that she still did not get an answer to her question. She understood about the three different periods. She asked what would be the next priority, what period should be established now, when will the historic nomination continue all the way around the Port and where are we going from here. Ms. Oshima replied that Pier 70 is the next collection of historic resources, a master plan area along with the backlands that staff has in its work program; however, funds are needed to support that endeavor. Staff is trying to support the backlands planning forward so it can eventually issue an RFP for that area.

Commissioner Brandon indicated that she has been hearing about the backlands area and the historic district for seven years. She asked when will staff actually do something and where are we going from here.

Ms. Moyer replied that we have outspent our funding budget on the plan that is before the Commission today. At this point and time, it is not funded in the 04/05 budget but staff will look at how to prioritize it for the 05/06 budget. Staff has a fair amount of work to do in 04/05 that will take a considerable amount of funding.

Commissioner Brandon understood their points but on our list of priorities it seems that that district as usual is at the end of the priority list. She understands that it's unfunded but have we taken the time to look for any funds to start the process. Ms. Moyer replied no as she has not began planning for 05/06 yet

Commissioner Brandon agreed with Joe Boss and Toby Levine that the Pier 70 area is a big part of our labor history and she hopes that it will be a priority. Ms. Moyer replied that staff will come back to the Commission with all the priorities and seek

Commission's help to prioritize them. She added that security is also big problem in that area.

Commissioner Hardeman commented that one of the best things about being a Commissioner is when he's not recognized and when people visit the City for the first time in 15 years and they are blown away by the spectacular waterfront. Initially when the historic district came up, he was concerned that we wouldn't be able to continue the work we've done which is to satisfy everybody. Like Ernestine said, God was the biggest contributor in taking the Embarcadero Freeway down because the City was undecided. Commissioner Hardeman was ambivalent and still has problems with the Pier 36 being included in the historic district. The Commission made a deal to take Pier 36 down. No one objected to it. He was sorry to see that Pier 36 is not going to be demolished as planned. It has to be included in the historic district. He hopes that there will be no delays and additional cost to the developer. Regardless of that, he will be voting for this project.

ACTION: Commissioner Brandon moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-89 was adopted.

7. NEW BUSINESS / AGENDA SETTING

- New Business

Commissioner Hardeman commented that it was wonderful to have the Canadian Snow Birds during Fleet Week but everyone he spoke to wants to have the Blue Angels back. The Commission is not against having them back. Once they were gone, we know how much we missed them. He hopes that the Blue Angels will return next year.

Commissioner Hsu concurred with Commissioner Hardeman's comments. People from around town and out of town expressed their disappointment that the Blue Angels did not perform during Fleet Week, especially the Fisherman's Wharf merchants. They would love to see them next year and beyond.

Ms. Moyer indicated that we were all disappointed when the Blue Angels had a scheduling conflict and didn't choose San Francisco. Unfortunately, the Port has very little control over the Navy and their decision not to perform in San Francisco.

Al Martino spoke about the USS Iowa. The USS Iowa is a sister ship to the USS Wisconsin located in Norfolk Virginia, to the USS New Jersey located in New Jersey and to the USS Missouri located in Hawaii. All those battleships, except the Iowa, are museums. The Navy brought the Iowa from the East Coast to the West Coast in 2001. It is currently berthed in Suisun Bay. The Iowa should be a museum in San Francisco. The Navy brought the Iowa here for a purpose. At the Commission last meeting, he mentioned about their trip on the Jeremiah O'Brien in 1994, visiting about 20 ports in England and France. Approximately 10,000 people toured the cargo ship daily. Those people thanked them for what they did and what the people did during the WWII.

Having the USS Iowa as a museum berth in San Francisco bay would get the same response they received in Europe.

Bill Stephens, Historic Ships Memorial at Pacific Square, mentioned that the Port is contemplating on establishing a historic ship policy. HSMPS would like to be a positive element in that policy. He alerted the Commission that 8 years worth of effort has gone through the process of bringing Iowa to San Francisco. It included no less than four governors, one chief of naval operations, two Mayors of San Francisco, the Office of Emergency Services for about four years, the Police and Fire Department as well as two governors from Iowa State to bring the ship to San Francisco because it will show very well and contribute to the National Heritage. Some people may argue that San Francisco did not have a historic ship policy. It did, in fact, Frank Jordan tried to bring the Missouri to San Francisco. Mayor Brown supported bringing the Iowa to the City and it is here today. There is a long history of trying to bring an Iowa Class battleship to San Francisco. In 1995, the Port commissioned a feasibility survey which solidly supported the economics and wisdom of bringing the ship to the San Francisco waterfront. The ship will be enormously popular and profitable at this location. The Port funded the feasibility study and it was well received by the Naval Systems Command in Washington. Dianne Feinstein is a very wise person. On August 19, 1998, they met with the other memorials, mainly the Maritime and National Park Associates which includes the Pampanito. At that point in time, they secured their cooperation. The other memorials do not feel competitively threatened to get that legislation to bring the ship to the City. These ships are fought over. Every City in the country, maritime port at one point or another has dreamed of bringing an Iowa class battleship. They are unique. They are irreplaceable. There's another Port that is going to actively bid on this ship. They would like to be a positive element in the policy for the historic ship designation and to benefit and to bring in the most popular ship along one of the most beautiful waterfront this nation has to offer.

Merylin Wong, Historic Ships Memorial at Pacific Square, indicated that historic preservation, terrorism response, Port security, and public benefit are themes that the USS Iowa could readily fit into. They heard them all today. She's the founding director of HSMPS, the tax-exempt educational public benefit organization established to acquire Iowa for use as a museum and memorial. They have communicated to the Port Commission as early as 1999. Since the summer of 2003 they have requested the Commission and Port staff that this opportunity appear on its future agenda rather than continue to be relegated to public comment. She requested that this item be on the Commission's future. It was suggested at the October 12 hearing that there were concerns over the level of awareness of this rare civic opportunity. She provided the Commission all of their key correspondence, meeting agenda, attendees between and among their organization, the Port, the Port Marshal, the Mayor's Office Emergency Services, Congresswoman Nancy Pelosi's office, the Veterans Commission, Governor's office, before and since their first meeting with Director Moyer and Maritime Director Peter Dailey. The notion of a historic vessel policy comes about 8 years since this project was first known to the city and just a few years since our senators spearheaded back-to-back years of federal legislation to bring the ship to San Francisco. It comes at a time when two weeks ago, the Commission approved the berthing of the historic Jeremiah O'Brien for a ten-year term, $2500 per month lease. It

comes at a time when Mayor Newsom named Pier 27 as the only pier that can accommodate a ship the size of USS Iowa. Given the ship's projected availability in light of the identified competitive effort and their organization being recognized locally, regionally, nationally as the sole applicant for this ship, they are prepared to work closely with the Port in declaring a berth for the USS Iowa. Beginning tomorrow through November 2nd, they will be in Capitol Hill to meet with Congress including members of the Committee that oversees the National Historic Preservation Act and the Navy to determine the best strategy to achieving the goal of bringing this national treasure, this landmark ship to San Francisco. Should a historic vessel policy be deemed even necessary, they hope that it is in keeping with the spirit of the legislation that brought the ship to the Bay Area, the will of Congress, the public interest mandate for the Port and above all favorable to berthing USS Iowa giving its historical significance to San Francisco, its uniqueness and financial profitability proven by the Port's feasibility of this noble endeavor.

Commissioner Bierman asked about the process to get the ship berthed at the Port. Ms. Moyer replied that according to the testimonies today, a lot of work is involved and a lot of work has already been done over a span of multiple years. There were assumptions from the speakers about what the historic vessel policy may or may not say, which is a bit unfair to fair. The purpose of the historic vessel policy is to address the request of the USS Iowa that they be included in the agenda and that Port staff work with them to bring the ship to the port. Ms. Moyer was under the impression that was not the committee's understanding although the speakers have not contacted her and asked her a question. Staff is working on this item. It is clearly a ship of significant size as the speaker's alluded to and that will have implications beneficially and negatively that staff has to work on. It's not something that staff is ignoring or even working against, although from the speakers comments, they suspect otherwise.

Commissioner Bierman indicated that she brought her great grand kids to the waterfront a few weekends ago. Many children and adults have never experienced going on a ship. This may be a very important thing to think about. Ms. Moyer replied that staff agrees that this is an important issue that's why the historic vessel policy is on the agenda today in direct response to the request of the people in this room. The sentiment that somehow staff would work against them or work without them is unfounded.

Commissioner Bierman indicated that it would be an exciting thing if we pull it off. Ms. Moyer replied that it would be but staff has a fiduciary responsibility to answer some of the questions the Commissioner raised. The Port does not have a historic vessel policy in writing. The Port has very few policies in writing. The Iowa is not the only ship that would like to come to San Francisco.

Ralph Gibson, member of the City Veterans Affairs Commission and member of the Military Order of the Purple Heart National Organization and other Veterans organizations, indicated that they are in the process of getting a resolution nationally to support the Iowa to come to San Francisco. They have heard about it being a self-supporting operation. He spent over 20 years in the military. He's been around the globe three times. He has been on battleships but has never been on the Iowa. He would

love to go on it. He's heard testimony today about security and the historical value. All these things fit right into the Iowa. It would make San Francisco a lot of money. He has contacted many people in various organizations that have things to offer and show from the old days – old cars, vintage things - that a lot of people have forgotten and has never seen. This all comes along as a part of the package – it's free, it doesn't cost anyone anything. The veterans' organization is helping out. They support it 100%. They have talked to Congresswoman Pelosi about supporting the Iowa to come to San Francisco. The secretary of the Commission for the Aging to the President of the United States was in town and offered her help to support to bring the ship to the City. As a San Franciscan, as a Veteran and someone who loves this place and loves America, he wants to hear what needs to be done to get a favorable answer. He requested to see and speak with Ms. Moyer and with Mr. Dailey but they all have busy schedules. He is willing to go anytime anywhere to meet with and talk to them.

Michael Thompson, President of the SF Veterans Affairs Commission, indicated that all 15 members of the Commission are in support to bring the Iowa to San Francisco. It would be an economic boon to the Port and will revitalize the Port. USS Missouri made $150 million a year. The Iowa is just as important as the Missouri. The Missouri and other battleships are patterned after the Iowa.

Paul Gomez, Historic Ships Memorial @ Pacific Square & Veterans Association, indicated that he served on the Iowa during the Korean War. While the Commission has heard several of the components that make this project significant for the City such as economic robust, a place where it can be seen by people who will bring their children who had never had an opportunity to see a ship let alone go aboard a ship, about the jobs that it will create, about the things that Bill Stephens and Merylin Wong talked about, it also has an emotional component . He represents 3000 members that served on that ship – veterans from WWII and the Korean War - all them were heroes. Veterans who served since she was decommissioned and recommissioned during the 80s; all of them heroes. He brings an emotional message because those people are starting to reach that incredible age to just wishing and hoping that someday soon, they could come and see their ship again. They touched that ship with their hands and they broken down with incredible tears and emotion just to see and touch her. If it can do that to veterans, it will do it to people who have never seen one of these magnificent battleships up close. The ship has an incredible superstructure. It will add to the skyline of San Francisco.

Commissioner Bierman indicated that her uncle was in the Merchant Marine and lost three ships from under him in Australia and New Zealand during the WWII. He was her chief babysitter and was thrilled to do it because he had been at sea for years. He used to sit at her kitchen table and would talk about his travels. It became apparent to her what it was like for people to travel by ship, to go to different ports. A lot of kids could learn from this experience. She does not know about the process and the cost to get the ship but it would be a wonderful opportunity for the Port if it becomes a reality.

Ms. Moyer replied that first and foremost, where in the Port's overall plan do we want to berth historic ships in general. Assuming the Iowa comes to the City, where will it be berth; what are the Port's obligation, if any, and how do we pay for them. Another subset is an environmental analysis, an environmental impact report and a BCDC

permit have to completed and secured. There's a lot of work to do in component pieces. Staff has been working internally on those aspects. We are not at a stage where it's ready to be brought to the Commission with recommendation.

Commissioner Bierman asked if the Board of Supervisors should be asked to support this endeavor. Ms. Moyer replied that it's her understanding that the Board is already in support of it. Administrative work needs to be done. Although the speakers mentioned names of their supporters, work still has to be done by Port staff and there's only a few staff to do so much work.

Commissioner Bierman asked where the Iowa is currently berthed. Ms. Moyer replied that it's berth in Vallejo. Staff is working on a policy that would address all the requests before us. As part of that policy, staff will lay out a schematic or a flow chart of all the issues that have to be considered so it's well known to the Commission and to the public. From that, staff will work on a point in time when staff would give a recommendation as to whether and how the Iowa could be accommodated. The Iowa is not the only ship interested in berthing in San Francisco

Commissioner Bierman indicated that she's attached to the name Iowa because she lived near Omaha, Nebraska. It sounds exciting to her.

Ms. Moyer indicated that some of the speakers spoke directly to the item at hand when in fact the agenda setting lists the historic vessel policy. There's nothing on the agenda that speaks specifically to the Iowa. Some of the comments should have been made under public comment. She asked if the Commission would like staff to articulate an action although staff is already working on the policy. Since coming to the Port, the forward work calendar has been placed in public view for the purpose of exactly the point that some of the speakers raised. It wasn't to invite them to recommend against what staff is doing but to let them know about our work plan and be responsive of the request of what the public has of us on a regular basis.

Ms. Moyer reminded the Commission that the Exclusive Right to Negotiate with the Mills Corporation will be back to the Commission on November 9, 2004. A request was made to her as to whether the Commission would entertain setting a time certain for hearing that item and if they would also entertain setting the time as late as possible.

Commissioner Hsu asked where the request came from. Ms. Moyer replied that it came from the Citizens to Save the Waterfront.

Commissioner Hardeman indicated that the 6 p.m. hearing was unfair to staff. It didn't bother him but it's unfair to have staff here at 9:15 at night. Ms. Moyer replied that the 6 p.m. was done at the request of the developer who had to be in Chicago earlier that day. Her proposal would be to have the hearing at 4 p.m. The Commissioners concurred with Ms. Moyer's recommendation.

Ms. Moyer indicated that staff is also working on a Street Use Policy. Staff has received a lot of complaints from the public about encroachments, safety on the promenade, either from people putting up signs illegally, putting up restaurant tables or

simply riding bicycles at dangerous speeds. The Street Use Policy will come first. If the Commission's direction following that is to work on a code, staff would need more time to do that. The Historic Vessel Policy will be presented to the Commission sometime in January 2005 and the Historic Vessel Policy will be presented in February 2005.

She reminded the Commission that are only two Commission meetings left for this year (November 9 and December 14). She warned the Commission that the calendars for those meetings will probably be on the heavy side. The Embarcadero Hotel project will be on the December 14 calendar.

Commissioner Hardeman commented that he worked very hard in the 80s to bring the Missouri to San Francisco. He hopes that would give the group an inclination on how he feels about historic vessels.

8. PUBLIC COMMENT

Ernestine Weiss asked about the contract to award the Embarcadero Promenade. Ms. Moyer replied that staff received bids for the project and will ask for Commission's approval to award the contract at the next meeting.

Nan Roth asked about the Street Use Policy whether it would include the extensive amount of parking on the promenade. Ms. Moyer replied that she does not want to commit prematurely because it is something staff is working on. Our biggest problem in life is that we have goals and objectives for the promenade and absolutely no regulatory or ticket writing capabilities. It's not infrequent to see vehicles parked illegally not only on the promenade but within the lanes of Embarcadero and staff is somewhat powerless to do something about it. It is her hope that we can also look at what's the appropriate entity to help the Port implement the policy and it may or may not be Port staff. We get a barrage of complaints. Some are easy to deal with and some are not.

Robert Frank indicated that the Iowa is sitting in Suisun Bay. The Iowa has a monthly tour and suggested that the Commission should take a look at it. One of the things he hears often in San Francisco is the need for homeland security area in the event of an emergency, earthquake, terrorist attack, where City officials are able to meet and act safety. The hulls of this ship is impenetrable to most anything that a terrorist could do. It could be a very important platform. He understands that the ship has a hospital on board, storage facilities, generating capacity, etc. that could be considered as part of the homeland security.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 5:05 p.m. the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss existing litigation matter pursuant to California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case):

- In re Pacific Gas and Electric Company, United States Bankruptcy Court, Northern District of California, San Francisco; Case No. 01 30923 DM.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Plaintiff)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

b. Property: Pier 15 and 17 (at Embarcadero)
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Dr. Goéry Delacôte

10. RECONVENE IN OPEN SESSION

Commissioner Lazarus left at 6 p.m. Commissioner Brandon left at 6:45 p.m. At 6:45 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn executive session and reconvene in executive session; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

11. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

Commissioner Hsu adjourned the meeting at 6:46 p.m.

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